

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

**IN THE MATTER OF
CLAY-JON LILES GOFF**

No. 01-3-S

CONSENT ORDER

This consent order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101, *et seq.* (Repl. 1994), (the "Act"), the Rules of the Arkansas Securities Commissioner promulgated under the Act (the "Rules") and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201, *et seq.* (Repl. 1996). This order is entered into with the consent of Clay-Jon Liles Goff (Goff), in full settlement of all claims which could be brought against him by the Staff of the Arkansas Securities Department (the "Staff") in a complaint before the Pulaski County Chancery Court pursuant to Ark. Code Ann. § 22-42-209 (Supp. 1999). Goff waives his right to a formal hearing, consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. In July, 1995, unsolicited, Goff entered into an agreement with David McAfee (McAfee) whereby Goff would trade securities for McAfee for 20% of the profits. Pursuant to this agreement, Goff obtained the forms for McAfee and opened an account for him with the completed forms at a broker-dealer on 26 July 1995 and obtained a power of attorney from McAfee authorizing Goff to effect transactions in McAfee's account on 28 July 1995.
2. Goff, unsolicited by him, entered into similar agreements with others whereby he would trade securities for those persons in their securities accounts for 20% of the profits. Accounts were opened at this same broker-dealer, and powers of attorney were given to Goff to effect transactions in those accounts. The following accounts were opened and powers of attorney were executed on the following dates:

- a) Connie McAfee, McAfee's spouse – power of attorney executed on 14 May 1996 and account opened 17 May 1996;
 - b) Charles W. Wisdom, Jr., - Goff's lifelong friend and the person to whom Goff loaned the funds to open the account (those funds have never been repaid in full), - account opened and power of attorney executed on 30 May 1996;
 - c) Darrel J. Hall – Goff's current immediate boss and Goff's friend and partner – account opened on 18 September 1995;
 - d) Charles W. Wisdom, Sr. – Charles W. Wisdom, Jr.'s father – attorney in fact of Mabel Wisdom – power of attorney executed on 25 January 1996 or 30 January 1996 and account opened on 25 January 1996;
 - e) Oma L. Quinn – Charles Wisdom, Jr's., grandmother – power of attorney executed on 20 May 1996 and account opened on an undetermined date shortly thereafter;
 - f) Agnes A. Liles – Goff's grandmother – account opened on 21 July 1995 and power of attorney executed on 20 November 1996.
3. McAfee's account was traded over the next several years, essentially engaging in what is known as day trading. Goff, on behalf of McAfee, effected over \$22,000,000 of buys and sells until the account was closed in September, 1998. McAfee's account suffered significant losses.
4. Goff effected trades for the accounts noted in paragraph 2. The trading in these accounts was not extensive
5. At no time has Goff held any registration under the Act with the Arkansas Securities Department (the "Department"), including a registration as an investment adviser.
6. Goff never held himself out as being registered, did not advertise himself as being engaged in the securities business, had no separate investment adviser place of business and, at that time, sold and developed real property as his profession.
7. Goff and McAfee have settled any matters relating to McAfee and McAfee's wife's account.

LAW

8. Ark. Code Ann. § 23-42-301(c) (Supp. 1999) provides that it is unlawful for any person to transact business in this state as an investment adviser without being registered under the Act.

9. Ark. Code Ann. § 23-42-209(a) (Supp. 1999) provides in pertinent part that the Commissioner may petition the Chancery Court of Pulaski County to temporarily or permanently enjoin any act or practice that is a violation of the Act.

10. Ark. Code Ann. § 23-42-209(b) (Supp. 1999) provides in pertinent part that the Commissioner may also ask the Chancery Court of Pulaski County for any ancillary relief which may be in the public interest, including appointment of a receiver, obtaining an accounting, disgorgement, assessment of a fine of not more than the total amount of money received in connection with any violation or “other relief as may be appropriate in the public interest.”

11. Ark. Code Ann. § 23-42-209(c) (Repl. 1999) provides that in addition to the other options given the Commissioner in this section, “[n]othing herein shall prohibit or restrict the informal disposition of a proceeding or allegations which might give rise to a proceeding by . . . settlement.”

CONCLUSION OF LAW

12. The findings of fact set forth in ¶¶ 1 through 6 support the conclusion that this order is in the public interest.

OPINION

13. It is the opinion of the Commissioner that this order is in the public interest.

14. It is the opinion of the Commissioner that the findings of fact set forth in ¶¶ 1-6 support a finding of an extended violation of the Act set out in ¶ 8 to wit, acting as an investment adviser without first being so registered with the Department.

CONSENT

15. Solely for the purposes of this proceeding, without admitting or denying the findings of fact and conclusions of law contained herein and in an effort to resolve this matter without the cost of further litigation, Goff consents to the entry of this Order.

*In the Matter of
Clay-Jon Liles Goff*

ORDER

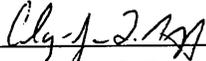
IT IS THEREFORE ORDERED that Goff donate \$5,000 to the Investor Protection Trust which shall be "ear marked" for Arkansas and he shall not make an application to be registered as an Investment Adviser for a period of six (6) months from the date of this Order. It is noted all possible proceedings that could in any way be instituted by the Staff on the basis of the facts set out in ¶¶ 1-6 are concluded by the entry of this order.

WITNESS MY HAND AND SEAL this 6th day of ~~February~~ ^{MARCH}, 2001.



Mac Dodson
ARKANSAS SECURITIES DEPARTMENT

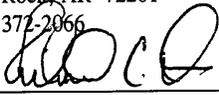
Consented to:


Clay-Jon Liles Goff

3/1/01
Date

Agreed as to Form:

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By: 
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