

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-19-0060
ORDER NO. S-19-0060-19-OR01

IN THE MATTER OF:
CHRISTOPHER SCHOEFIELD CARLIN AND
ALEXANDER CAPITAL, L.P.

RESPONDENTS

CONSENT ORDER

This Consent Order ("Order") is entered pursuant to the Arkansas Securities Act ("Act"), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules") promulgated pursuant to the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement between the Staff of the Arkansas Securities Department ("Staff") and the Respondents, Christopher Schoefield Carlin ("Carlin") and Alexander Capital, L.P. ("Alexander Capital").

The Respondents admit the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), neither admit nor deny the findings of fact, waive their right to a formal hearing and appeal, consent to the entry of this Order, and agree to abide by its terms in full and final settlement of all claims that could be brought against them on the basis of the facts set forth herein.

FINDINGS OF FACT

1. Alexander Capital, CRD No. 40077, is an Arkansas-registered broker-dealer with its principal place of business located at 17 State Street, 5th Floor, New York, New York 10004. Alexander Capital has been registered with the Arkansas Securities Department ("Department") since January 10, 2010.

2. Carlin, CRD No. 2238819, is a New Jersey resident who was approved by FINRA as a general securities representative with Alexander Capital on March 24, 2014. Carlin was formerly registered with the Department as a broker-dealer agent with Alexander Capital from March 24, 2014, until October 21, 2015. Carlin has not been registered with the Department as an agent with Alexander Capital since October 21, 2015. According to CRD records, Carlin works out of Alexander Capital's main office in New York.

Unregistered Broker-Dealer Agent Activity

3. In April 2018, Carlin signed the opening account paperwork on four customer accounts at Alexander Capital for Arkansas residents. Thereafter, Carlin served as the named broker-dealer agent on the accounts, executing trades on behalf of the customers and earning commissions on the trade activity in the accounts. Carlin was not registered with the Department as a broker-dealer agent with Alexander Capital when he signed the opening account paperwork or conducted trades in the accounts on behalf of Arkansas residents.

Unregistered Branch Office

4. Through examination, the Staff found that Alexander Capital allowed an Arkansas-based broker-dealer agent to conduct business on behalf of the firm at a non-registered branch location in Benton, Arkansas.

APPLICABLE LAW

5. Ark. Code Ann. § 23-42-301(a) states that it is unlawful for any person to transact business as a broker-dealer agent in Arkansas without being registered with the Department pursuant to the Act.

6. Ark. Code Ann. § 23-42-301(f)(1) requires that a broker-dealer establish, maintain, and enforce a system to supervise the activities of its agents and employees that is reasonably designed to achieve compliance with the Act, the rules, and orders of the commissioner, all other applicable state and federal securities laws, and the rules of self-regulatory organizations.

7. Rule 301.01(c)(2) states that every broker-dealer shall establish, maintain, and enforce those written procedures designed to achieve compliance with the Act and to detect and prevent violations.

8. Ark. Code Ann. § 23-42-301(e) states that a broker-dealer shall not conduct business from a branch office within this state unless the branch office is registered under the Act.

9. Ark. Code Ann. § 23-42-308(h) provides that matters may be resolved by consent order in lieu of a formal proceeding.

CONCLUSIONS OF LAW

10. The facts set out in paragraphs 2 and 3 establish that Carlin transacted business as a broker-dealer agent during a time that he was not registered with the Department in violation of Ark. Code Ann. § 23-42-301(a).

11. The facts set out in paragraph 3 demonstrate that Alexander Capital violated Ark. Code Ann. § 23-42-301(f)(1) and Rule 301.01(c)(2) by failing to properly ensure Carlin's registration with the Department as a broker-dealer agent with Alexander Capital prior to his opening accounts and conducting business for Arkansas residents.

12. The facts set out in paragraph 4 demonstrate that Alexander Capital conducted business from an unregistered branch office in violation of Ark. Code Ann. § 23-42-301(e).

UNDERTAKINGS

In settlement of this matter, Alexander Capital agrees to pay a fine to the Department in the amount of \$15,000. Carlin shall not conduct any further business in Arkansas on behalf of the Firm until such time that he is properly registered pursuant to the Act. Nothing in this Order shall prohibit Carlin from registering with the Department. Alexander Capital shall register the business location previously located in Benton, Arkansas, currently located in Bryant, Arkansas, as a branch office of Alexander Capital or qualify for an exemption from registration under the Act. In addition, Alexander Capital shall conduct a review of its current supervisory provisions and practices to ensure that the oversights and resulting violations stated above do not occur in the future.

OPINION

This Order is in the public interest. The facts set out above in paragraphs 2 through 4 support the violations of the Act and Rules set out in paragraphs 5 through 12.

ORDER

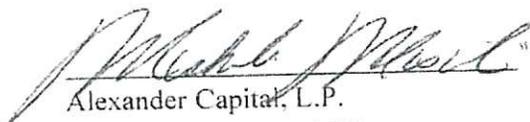
IT IS HEREBY ORDERED that, in accordance with their undertakings, Alexander Capital shall pay a fine in the amount of \$15,000 upon the entry of this Order; Alexander Capital shall register the business location in Bryant, Arkansas as a branch location of Alexander Capital upon the entry of this Order or qualify such location for an exemption from registration under the Act; Alexander Capital shall conduct a review of its current supervisory provisions and practices to ensure compliance with the registration requirements of the Act and Rules; and Carlin shall not conduct any further business in Arkansas as a broker-dealer agent for Alexander Capital until such time that he is properly registered pursuant to the Act.

WITNESS MY HAND this the 20th day of November 2019.



B. Edmond Waters
Arkansas Securities Commissioner

I hereby agree to the entry of this Consent Order; consent to all terms, conditions, and orders contained therein; and waive any right to appeal from this Order.



Alexander Capital, L.P.
By: Michele Misiti, CCO

11/15/19
Date



Christopher Schoefield Carlin

11/15/19
Date

Approved as to Content and Form:



Aislinn Andrews, Staff Attorney
Arkansas Securities Department

11/20/19
Date