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ARKANSAS SECURITIES DEPT.

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO S-12-0221
ORDER NO S-12-0221-12-OR01**

IN THE MATTER OF

BROWN DOG FINANCIAL, LLC

RESPONDENT

CEASE AND DESIST ORDER

On November 8, 2012, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence that indicates Brown Dog Financial, LLC (“Brown Dog”), Central Registration Depository (“CRD”) # 164426, has violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 through 509. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff’s Request asserts the following representations of fact:

1. Brown Dog has a principal office address in Atlanta, Georgia.
2. Drew Walker (“Walker”) is the managing member and chief compliance officer of Brown Dog.
3. Brown Dog made a notice filing with the Arkansas Securities Department (“Department”) in June 2012 indicating that Brown Dog is an exempt reporting adviser (“ERA”) doing business in Arkansas.

4. Brown Dog was notified by the Department in July 2012 that an ERA under the Investment Advisers Act of 1940 (“Advisers Act”) and amendments thereto by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) is not exempt from registration as an investment adviser in Arkansas. Pursuant to Ark. Code Ann. § 23-42-301(c) it is unlawful for a person to transact business in Arkansas as an investment adviser without being registered under the Act unless the person is registered as an investment adviser with the Securities and Exchange Commission (“SEC”) under Section 203 of the Advisers Act, or is not registered as an investment adviser with the SEC because the person is not an investment adviser under Section 202(a)(11) of the Advisers Act. As an ERA, Brown Dog is neither registered as an investment adviser with the SEC, nor falls outside the definition of investment adviser provided under Section 202(a)(11) of the Advisers Act.

5. Despite repeated requests by the Department Staff to Walker and Brown Dog to remove the notice filing of Brown Dog as an ERA in Arkansas, or in the alternative, register as an investment adviser, the notice filing has not been amended or removed and remains on the CRD.

CONCLUSIONS OF LAW

6. Ark. Code Ann. § 23-42-209 provides, in part, that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged, or is about to engage, in any act or practice constituting a violation of any provision of the Act, or any rule or order under the Act, he may summarily order the person to cease and desist from the act or practice.

7. Ark. Code Ann. § 23-42-301(c) states, in part, that it is unlawful for a person to transact business in Arkansas as an investment adviser without first being registered unless the person is registered as an investment adviser with the SEC under Section 203 of the Advisers Act, or is not registered as an investment adviser with the SEC because the person is not an investment adviser under Section 202(a)(11) of the Advisers Act.

8. Brown Dog has indicated that it is doing business in Arkansas as an investment adviser without first being registered in violation of Ark. Code Ann. § 23-42-301(c).

9. The conduct, acts, and practices of Brown Dog threaten immediate and irreparable public harm. A cease and desist order is in the public interest and appropriate pursuant to Ark. Code Ann. § 23-42-209(a).

ORDER

IT IS THEREFORE ORDERED that: Brown Dog Financial, LLC immediately CEASE AND DESIST from transacting business in Arkansas as an investment adviser without being registered under the Act, registered with the Securities and Exchange Commission, or outside the definition of investment adviser found in Section 202(a)(11) of the Investment Advisers Act of 1940.

A hearing on this Order shall be held if requested by Brown Dog in writing within thirty (30) days of the date of the entry of this Order, or if otherwise ordered by the Commissioner.

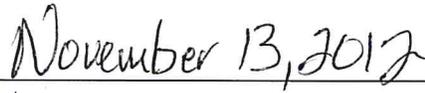
Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
Heritage West Building
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. See Ark. Code Ann. § 23-42-209(a)(2).



A. Heath Abshure
Arkansas Securities Commissioner



Date