

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO S-12-0233

ORDER NO S-12-0233-12-OR01

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF

**JADE ASSET ADVISORS,
WALTER A. "CHIP" TYE, AND
ELIZABETH LITTLETON**

RESPONDENTS

CEASE AND DESIST ORDER

On November 29, 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 Jade Asset Advisors ("Jade"), Walter A. "Chip" Tye ("Tye"), Central Registration Depository ("CRD") # 1773573, and Elizabeth Littleton ("Littleton"), CRD # 4008263, have 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. Two Arkansas residents, a husband and wife ("together AR1"), were solicited in 2011 by Tye and Littleton on behalf of Jade to make investments in gold and silver.
2. At the time the solicitations took place Jade had made a filing with the Florida Department of State Division of Corporations ("FSDSC") with an address in Boca Raton, Florida. Littleton was listed as CEO and registered agent of Jade in the filing with the FSDSC

with an address in Boca Raton, Florida. Records maintained by the CRD list Tye's last known residential address in Boca Raton, Florida.

3. While soliciting AR1, Tye advised AR1 to sell securities that AR1 held in a brokerage individual retirement account ("IRA") and use the proceeds to purchase interests in gold or silver. After following the advice of Tye and selling the securities, AR1 completed actions at the direction of Littleton to transfer the funds to an account at an institutional trustee. Without authorization from AR1, funds were transferred by Jade, Tye, and Littleton (collectively "Respondents") from the trustee account to an account at Precious Metals International ("PMI") in Georgetown, Grand Cayman where the Respondents made leveraged purchases in silver. AR1 was not aware that the Respondents had opened an account at PMI in AR1's name, transferred money from AR1's account with the institutional trustee, and made leveraged purchases of silver until a month after the transactions took place. Upon learning of the transactions, AR1 immediately directed the Respondents and PMI to return her funds. The series of transactions, that included commission charges by the Respondents of 8% on the silver purchases and 2% on the sales, resulted in a net loss of 75% of AR1's IRA funds.

4. None of the Respondents have ever been registered to do business in Arkansas as an investment adviser or representative.

5. CRD records indicate that Tye had been registered as a broker-dealer agent in 2003, prior to a felony conviction for trafficking in cocaine, but has never been registered as an investment adviser or representative. CRD disclosures include numerous customer complaints and arbitration awards, civil actions by a former employer and the Securities and Exchange Commission, and NASD suspensions against Tye during a time spanning the years 2000 through 2011.

6. CRD records indicate that Littleton has never been registered with a broker-dealer or investment adviser in any capacity. CRD disclosures include an action against Littleton by the state of Colorado in 1994 for sales of unregistered securities. Colorado permanently barred her from associating with an investment adviser, broker-dealer, or issuer of securities, and from offering or selling unregistered securities or investments.

7. Neither Tye nor Littleton disclosed to AR1 the regulatory actions, civil actions, and criminal actions against them.

CONCLUSIONS OF LAW

8. Ark. Code Ann. § 23-42-209 states, 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 this chapter, or any rule or order under this chapter, he may summarily order the person to cease and desist from the act or practice.

9. 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 or representative without first being registered unless the person is registered as an investment adviser or representative 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.

10. Jade, Tye, and Littleton transacted business in Arkansas as an investment adviser and representatives without being registered in violation of Ark. Code Ann. § 23-42-301(c).

11. Ark. Code Ann. §23-42-507 states, in part, that it is unlawful for a person, in connection with the sale of a security: to engage in any act or course of business that operates as a fraud or deceit upon any person; or to make any untrue statement of a material fact or omit to state a

material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading.

12. Ark. Code Ann. §23-42-307 states, in part, that it is unlawful for any investment adviser or representative: to engage in any act or course of business that operates as a fraud or deceit upon another person; or to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made; not misleading.

13. Jade, Tye, and Littleton fraudulently caused the transfer and investment of funds without authorization by the owner of the funds in violation of Ark. Code Ann. §§ 23-42-507 and 307.

14. Jade, Tye, and Littleton failed to inform a client about material facts concerning securities regulatory actions against Tye and Littleton, a felony criminal conviction against Tye, or civil actions related to securities against Tye, in violation of Ark. Code Ann. §§ 23-42-507 and 307.

15. The conduct, acts, and practices of Jade, Tye, and Littleton 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: Jade Asset Advisors, Walter A. “Chip” Tye, and Elizabeth Littleton immediately CEASE AND DESIST from:

1. transacting business in Arkansas as an investment adviser or representative without first being registered to do so in violation of Ark. Code Ann. § 23-42-301(c);
2. committing fraud or deceit in connection with the sale of securities in violation of Ark. Code Ann. §23-42-507; and

3. committing fraud or deceit while acting as an investment adviser or representative in violation of Ark. Code Ann. §23-42-307.

A hearing on this Order shall be held if requested by Jade, Tye, or Littleton 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 Abshire
Arkansas Securities Commissioner

Dec. 4, 2012

Date