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**BEFORE THE ARKANSAS SECURITIES COMMISSIONER**

ARKANSAS SECURITIES DEPT.

**CASE NO. S-09-080**

**IN THE MATTER OF:**

**ORDER NO. S-09-080-09-CO01**

**WILLIAM C. SOWELL IV**

**RESPONDENT**

**CONSENT ORDER**

This Consent Order is entered pursuant to the Arkansas Securities Act ("Act"), Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules"), and the Arkansas Administrative Procedures Act, Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and Respondent William C. Sowell, IV, CRD # 2131557, ("Sowell") in full and final settlement of all claims that could be brought against Sowell by the Staff on the basis of the facts set forth herein.

The Respondent admits the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), waives his right to a formal hearing and without admitting or denying the findings of fact made herein, consents to the entry of this order and agrees to abide by its terms.

**FINDINGS OF FACT**

1. Sowell is an individual with a residential address located in North Little Rock, Arkansas. Sowell is the President, Managing Member, and Chief Compliance Officer of Sowell Financial Services, LLC, d/b/a Sowell Management Services (CRD #127145) ("Sowell Management"), whose business address is located at 5509 Springvale Road,

Suite A, North Little Rock, Arkansas. Sowell Management is a Securities and Exchange Commission ("SEC") investment advisory firm. According to the records of the Arkansas Securities Department ("Department"), Sowell applied to the Department to become registered as a state registered investment adviser representative with Sowell Management on May 4, 2009.

2. Sowell was a state registered investment adviser representative with Sowell Management until March 2005. Sowell Management filed an Amendment of the Uniform Application for Investment Adviser Registration (Form ADV) on February 28, 2005, to terminate the state registration and change the firm's filing status to an SEC registered investment adviser Notice Filer. At the time of Sowell Management's conversion filing, the state registration of Sowell as an investment adviser representative with Sowell Management was terminated by the Financial Industry Regulatory Authority ("FINRA").

3. The Staff conducted an examination of Sowell Management in October 2009. The Staff found several deficiencies regarding operations that were not in compliance with the Act and Rules. The deficiencies included:

- a) Unregistered activity in the State of Arkansas; and
- b) Failure to have a valid Series 66 examination.

4. The Staff's review of the books and records of Sowell Management reflect that 145 accounts were opened by Sowell through Sowell Management while he was an unregistered state investment adviser representative.

### **CONCLUSIONS OF LAW**

5. The failure by Sowell to register as a state registered investment adviser representative with Sowell Management, conducting unregistered activity, and a lapse of his Series 66 examination as described above in ¶¶ 3-4 constitute violations of Ark. Code Ann. § 23-42-301(c), Rule 302.02(A)(1), and Rule 302.02(G)(1)(b).

8. Pursuant to §§ 23-42-308(a)(1) and 23-42-308(a)(2)(B) of the Act, the Commissioner may by order suspend or revoke any registration if he finds that the order is in the public interest and that an applicant willfully failed to comply with any provision of the Act or any Rule or order under the Act.

9. Pursuant to § 23-42-308(g) of the Act, the Commissioner may for each violation of the Act, fine any investment adviser or representative an amount not to exceed \$10,000.00.

10. Pursuant to § 23-42-308(h) the Act permits the informal disposition of an allegation by consent order.

### **UNDERTAKING**

In settlement of this matter, but without admitting or denying the findings of fact made above, Sowell agrees to pay a fine in the amount of \$5,000.00.

### **ORDER**

By agreement and with the consent of the Staff and William C. Sowell, IV, it is hereby ordered that William C. Sowell, IV shall comply with provisions of the Act and

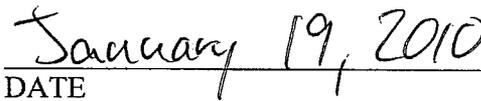
Rules and submit an Uniform Application for Investment Adviser Registration (Form ADV) as a state investment adviser representative.

It is also ordered that William C. Sowell, IV shall pay a fine in the amount of \$5,000.00 to the Arkansas Securities Department. The payment of said fine shall be made to the Arkansas Securities Department within 10 calendar days of the date of this order.

IT IS SO ORDERED.



A. HEATH ABSHURE  
Arkansas Securities Commissioner

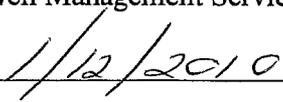


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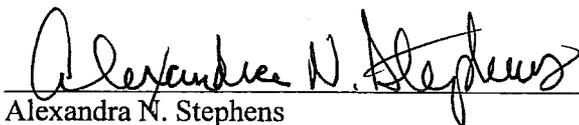
I hereby agree to the entry of this Consent Order, and consent to all terms, conditions, and orders contained therein, and waive any right to an appeal from this order.



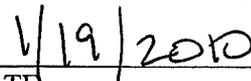
William C. Sowell, IV  
President, Managing Member, Chief Compliance Officer  
Sowell Financial Services, LLC  
d/b/a Sowell Management Services (CRD #127145)



DATE



Alexandra N. Stephens  
Staff Attorney  
Arkansas Securities Department



DATE