

BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO SC-12-0063  
ORDER NO. S-12-0063-15-07

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:  
ST. BERNARD FINANCIAL SERVICES, INC. and  
ROBERT KEENAN, JR.

RESPONDENTS

**CONSENT ORDER**

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. Sec. 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. Sec. 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and St. Bernard Financial Services, Inc., (“St. Bernard”) in full and final settlement of all claims that could be brought against St. Bernard by the Staff on the basis of the facts set forth herein.

The Regulatory Action against, Robert Keenan, Jr., individually, is dismissed with prejudice.

St. Bernard admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, and solely for the purpose of this proceeding, consents to the entry of the findings of fact made herein without admitting or denying the allegations contained herein. St. Bernard hereby consents to the entry of this Order and agrees to abide by its terms in settlement of any possible violations committed by St. Bernard concerning the matters detailed in this order.

**FINDINGS OF FACT**

St. Bernard is a securities brokerage company with its main office located in Russellville, Arkansas, CRD number 36956. St. Bernard has been registered as a securities broker-dealer with the Arkansas Securities Department (“Department”) since November 1, 1994.

Between 2008 and December 1, 2012, St. Bernard had a written supervisory and compliance policy. However, prior to December 1, 2012, St. Bernard’s written supervisory and compliance policy failed to adequately address and prevent the usage of non-St. Bernard email accounts to conduct securities business by St. Bernard’s registered agents, like Steele V. Stephens (“Stephens”). In addition, St. Bernard’s written supervisory and compliance policy did not provide for the comprehensive retention and archiving of all securities business emails. As a result of these deficiencies in St. Bernard’s written supervisory and compliance policy, certain information contained in emails concerning the sale of securities proposed by Stephens to his client, the Arkansas Treasurer’s Office, was not available for the supervisory staff at St. Bernard to review.

**APPLICABLE LAW**

Ark Code Sec. 23-42-301(f)(1) states that a broker-dealer shall establish, maintain and enforce a system to supervise the activities of its agents and employees that is reasonably designed to achieve compliance with this chapter, the rules and orders of the commissioner, all

other applicable state and federal securities laws, and the rules of self-regulatory organizations.  
(2) A broker-dealer's supervisory system shall include without limitation the: (A) Establishment and maintenance of written procedures designed to achieve compliance with subdivision (f)(1) of this section.

Ark. Code Ann. Sec 23-42-308(g) states that upon notice and opportunity for hearing, the commissioner may fine any broker-dealer or agent up to a maximum of ten thousand dollars (\$10,000) for each separate violation of this chapter.

**CONCLUSIONS OF LAW**

St. Bernard violated Ark. Code Sec. 23-42-301(f), when it failed to maintain a reasonably designed written supervisory and compliance policy as detailed in paragraph number 2.

6. Pursuant to Ark. Code Ann. Sec 23-42-308(g), the hearing officer should impose appropriate fines against St. Bernard.

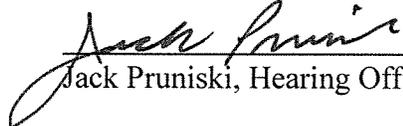
**OPINION**

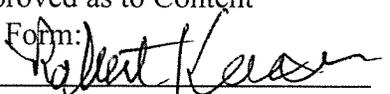
This order is in the public interest. The facts set out in paragraph 2 supports the violation of the Act as set out in paragraph 5.

**ORDER**

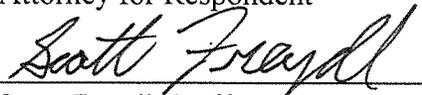
IT IS THEREFORE ORDERED that St. Bernard shall pay a fine in the amount of \$25,000.00 to the Arkansas Securities Department within 10 days of the entry of this Order.

WITNESS MY HAND AND SEAL on this the 3 of March, 2015.

  
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Jack Pruniski, Hearing Officer

Approved as to Content  
and Form:  
  
\_\_\_\_\_  
Robert Keenan, CEO  
St. Bernard Financial Services, Inc.

  
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John D. Van Kleef  
Attorney for Respondent

  
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Scott Freydl, Staff Attorney  
Arkansas Securities Department