

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-16-0095**

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

**RICHARD BLAIR, AND
WEALTH SOLUTIONS, INC.**

RESPONDENTS

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) has received and has in its possession certain evidence indicating that Richard Blair (“Blair”) and Wealth Solutions, Inc. (“WSI”) have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509.

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of the Act and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-209.

RESPONDENTS

2. Blair, CRD #2256412, is an investment adviser representative and president of Wealth Solutions Inc. Blair is a resident of Austin, Texas and is not registered with the Arkansas Securities Department (“Department”) in any capacity pursuant to the Act.

3. WSI, CRD #35331, is an investment advisory firm organized and existing under the laws of the State of Texas with its principal place of business located at 13501 Galleria Circle, Suite W-200, Bee Cave, TX 78738. WSI does not have a place of business in Arkansas and is not registered with the Department in any capacity pursuant to the Act.

FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER

4. Despite not being registered with the Department, WSI and Blair managed accounts for Arkansas residents relying on the Act’s de minimis exemption codified at Ark. Code Ann. § 23-42-102(9)(E)(ii). The de minimis exemption states that an investment adviser does not include a person who

has no place of business in this state if during the preceding twelve-month period he or she has had fewer than six (6) clients who are residents of this state.

5. In April of 2016, the Staff requested a list of WSI and Blair's Arkansas resident clients. Upon review of the documents produced the Staff discovered that WSI and Blair have exceeded the number of clients allowed under the de minimis exemption. During the preceding twelve-month period, the Department's investigation found that WSI and Blair have eight (8) Arkansas resident clients from whom compensation has been received within the preceding twelve-month period.

APPLICABLE LAW

6. Ark. Code Ann. § 23-42-102(9) defines investment adviser as any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who for compensation, issues or promulgates analyses or reports concerning securities.

7. Ark. Code Ann. § 23-42-301(c) provides that it is unlawful for a person to transact business in this state as an investment adviser or investment adviser representative without first being registered under the Act.

CONCLUSIONS OF LAW

8. The facts set out above demonstrate that Blair has violated Ark. Code Ann. § 23-42-301(c) by acting as an investment adviser representative without being registered with the Department.

9. The facts set out above demonstrate that WSI violated Ark. Code Ann. § 23-42-301(c) by taking on more than five (5) Arkansas resident clients and then failing to register with the Department.

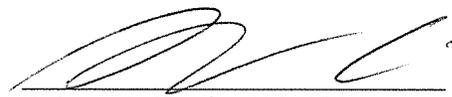
LEGAL AUTHORITY TO ISSUE CEASE AND DESIST ORDER

10. Ark. Code Ann. § 23-42-209(a)(1)(A) provides 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, the Commissioner may summarily order the person to cease and desist from the act or practice.

PRAYER FOR RELIEF

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order Blair and WSI to immediately cease and desist from further violations of Ark. Code Ann. § 23-42-301(c), and refrain from conducting business in Arkansas until such time that they are properly registered with the Department; and, for all other relief to which the Staff may be entitled.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'R. Cossio', written over a horizontal line.

Robert M. Cossio (2014136)
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