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ARKANSAS SECURITIES DEPARTMENT

FOR IMMEDIATE RELEASE

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ARKANSAS SECURITIES COMMISSIONER APPROVES CONSENT ORDER SUSPENDING AND FINING WILLIAM DAVID CRAIN

Arkansas Securities Commissioner A. Heath Abshure ("Commissioner") approved a Consent Order for William David Crain ("Crain"), a former representative and agent of St. Bernard Financial Services, Inc. ("St. Bernard"), concerning multiple violations of the Arkansas Securities Act and Rules. Crain was employed by St. Bernard during the time these violations occurred.

In the Consent Order the Commissioner found that Crain engaged in over ten months of unauthorized securities trading, selling unsuitable securities, and falsifying an account document in the securities account of a retired and widowed Arkansas resident. The unsuitable securities were an inverse or leveraged exchange traded fund ("ETF") and inverse and leveraged Exchange Traded Notes ("ETN"). Inverse or leverage EFTs and ETNs are complex investment products that are suitable for aggressive and experienced investors. In addition, inverse or leveraged ETFs and ETNs are designed to meet their investment objective in one trading session. The Arkansas resident involved in this case was neither an experienced nor speculative investor. Also, Crain repeatedly had this Arkansas investor hold the inverse or leveraged ETF and ETNs for weeks or months at a time.

As punishment for these violations, the Commissioner ordered Crain to pay a fine in the amount of \$5,000, as well as repay advisory fees in the amount of \$1,400.00 and market losses of \$4,112.53 to the Arkansas resident involved in this matter. In addition, the Commissioner ordered a four month suspension of the Arkansas representative and agent registrations of Crain.

On February 28, 2014, the Commissioner entered a Temporary Order of Suspension against Crain suspending his Arkansas representative and agent registrations. Crain had failed and refused to cooperate with an Arkansas Securities Department investigation by not allowing examiners access to his office and securities client files during a scheduled exam. The securities client file of the Arkansas resident involved in the most recent order was amongst the files that the Department's examiners wanted to review.

Copies of the orders are available on the Arkansas Securities Department's website, www.securities.arkansas.gov, Order No. S-14-0019-14-OR01, In the Matter of William David Crain, and Order No. S-14-0019-14-OR02, In the Matter of William David Crain.