

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 77347 / March 10, 2016**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4350 / March 10, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17168**

**In the Matter of**  
  
**STEELE V. STEPHENS,**  
  
**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b)(6) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Steele V. Stephens (“Stephens” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)(6) of the Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Stephens, 53 years old, resides in Little Rock, Arkansas. From May 2009 through May 2013, Stephens was employed as a registered representative by St. Bernard Financial Services, Inc. ("St. Bernard"), a firm registered with the Commission as both a broker-dealer and an investment adviser. Stephens worked as a registered representative off and on between July 1989 and May 2013, including his time at St. Bernard.

2. On May 7, 2015, the Arkansas Securities Commissioner issued a final order ("Arkansas Order") against Stephens, which found that he violated certain provisions of the Arkansas Securities Act, fined him \$20,000, and revoked his registration as a securities agent in Arkansas. *In the Matter of Steele V. Stephens*, Order No. S-14-0084-15-OR05 (Arkansas Department of Securities, May 7, 2015).

3. The Arkansas Order found that from 2010 through 2012, Stephens made at least five separate payments of \$6,000 to the sitting Arkansas Treasurer,<sup>1</sup> with the hope of obtaining additional business from the Arkansas Treasurer's Office ("ATO"). The Arkansas Order found that Stephens did, in fact, experience an increase in the amount of bond business he received from the ATO. The Arkansas Order further found that Stephens failed to disclose the commission (*i.e.*, mark up or mark down) on certain bonds that Stephens advised the state to sell. Accordingly, the Arkansas Order found that Stephens violated Ark. Code Ann. § 23-42-308(a)(2)(G) and Rule 308.01(y) of the Rules of the Arkansas Securities Commissioner as a result of his conduct.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in the Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and 203(f) of the Advisers Act, that Respondent be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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<sup>1</sup> In March 2014, the Arkansas Treasurer was convicted of six counts of extortion under color of official right in violation of the Hobbs Act, one count of attempted extortion, and six counts of taking bribes in violation of the federal program bribery statute.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) and restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields  
Secretary