



disclose the existence of any transactions with Montana residents for the period March 9, 2008, to the present. The CSI received a certified letter acknowledgment card on March 15, 2010, indicating the firm received the letter. Doley did not respond to the request for information. (Egan Affidavit.)

4. On September 3, 2010, the CSI sent Doley a second certified letter requiring the firm to disclose the existence of any transactions with Montana residents. The CSI received a certified letter acknowledgment card on September 13, 2010, indicating the firm received the letter. Doley did not respond to the request for information. (Egan Affidavit.)

5. On December 5, 2011, Doley filed a Form BD-W in an attempt to withdraw its application with the CSI. The CSI sent a letter to Doley on December 6, 2011, stating that it would not process the withdrawal until Doley responded to the CSI's previous letters and disclosed the existence of any transactions with Montana residents. Doley did not respond to the letter. (Egan Affidavit.)

6. On April 17, 2012, the CSI sent a "Final Request for Information" certified letter requiring Doley to respond to its previous correspondence. The letter required Doley to provide a response within ten business days of receipt of the letter. It stated that "[f]ailure to provide this information will be deemed a refusal to provide this information." A certified letter acknowledgment card was received dated April 23, 2012. (Egan Affidavit.)

7. To date, Doley has not responded to the CSI's requests for information. (Egan Affidavit.)

8. On April 17, 2012, FINRA issued a Notice of Intent to Suspend Letter to Doley for its failure to pay arbitration fees assessed in FINRA Arbitration Case 10-05352. (Egan Affidavit.)

9. On May 8, 2012, FINRA suspended Doley's FINRA membership for failure to pay arbitration fees assessed in FINRA Arbitration Case 10-05352. (Egan Affidavit.)

10. On June 1, 2012, FINRA suspended Doley's FINRA membership for failure to file its March 2012, FOCUS report. (Egan Affidavit.)

11. On July 3, 2012, FINRA suspended Doley's FINRA membership for failure to file its April 2012, FOCUS report. (Egan Affidavit.)

12. On July 20, 2012, FINRA expelled Doley from FINRA membership for failure to timely request termination of its suspension. (Egan Affidavit.)

### **CONCLUSIONS OF LAW**

1. The State Auditor is the Commissioner of Securities and Insurance pursuant to Mont. Code Ann. §§ 2-15-1901 and 1903.

2. The Commissioner and the CSI have jurisdiction over this matter pursuant to Mont. Code Ann. §§ 30-10-102, 30-10-107, and 30-10-201.

3. The administration of the Securities Act of Montana (Act), Mont. Code Ann. § 30-10-101, et seq., is under the supervision and control of the Commissioner. Mont. Code Ann. § 30-10-107.

4. The Commissioner shall administer the Act to protect investors, persons engaged in securities transactions, and the public interest. Mont. Code Ann. § 30-10-102.

5. It is unlawful for a person to transact business as a broker-dealer unless the person is registered with the Commissioner or an exemption applies. Mont. Code Ann. § 30-10-201(1).

6. A broker-dealer may apply for registration by filing an application in a form prescribed by the Commissioner. Mont. Code Ann. § 30-10-201(6).

7. A broker-dealer registration application must contain whatever information the Commissioner requires. Once submitted, an application may not be withdrawn without the express written consent of the Commissioner. Mont. Code Ann. § 30-10-201(7).

8. The Commissioner may, by order, deny the registration of any broker-dealer if the Commissioner finds that the order is in the public interest and that the broker-dealer:

- a. has filed an application that was incomplete in any material respect, or
- b. has not complied with a condition imposed by the Commissioner pursuant to Mont. Code Ann. § 30-10-201, or
- c. is not qualified on the basis of such factors as training, experience, or knowledge of the securities business. Mont. Code Ann. § 30-10-201(13).

9. Denial of the registration of Doley is in the public interest because the firm has demonstrated a failure to conform to fundamental securities industry practices, including adherence to registration procedures, the filing of FOCUS reports, and the payment of arbitration fees incurred in the course of business. Mont. Code Ann. § 30-10-201(13).

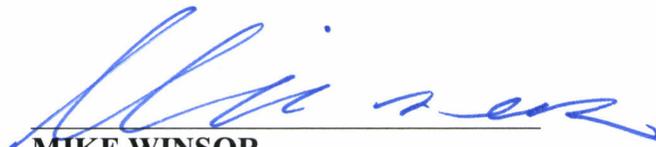
10. Doley filed a materially incomplete registration application with the CSI by failing to provide records of prior transactions with Montana residents despite repeated requests to do so, in violation of Mont. Code Ann. § 30-10-201(13)(a).

11. By filing an incomplete registration application, Doley failed to comply with a condition imposed by the Commissioner pursuant to Mont. Code Ann. § 30-10-201(7).

12. Doley's non-adherence to registration procedures, its failure to file FOCUS reports, and its failure to satisfy arbitration fees demonstrate a lack of the training, knowledge, and appreciation of regulatory principles required of broker-dealers registered to do business in the state of Montana. Mont. Code Ann. § 30-10-201(13)(i).

WHEREFORE, in light of the foregoing, the CSI respectfully requests the Commissioner to issue an Order denying Doley's application for registration as a securities broker-dealer in the State of Montana.

DATED this 15 day of August, 2012.

  
**MIKE WINSOR**  
Attorney for the CSI

**CERTIFICATE OF SERVICE**

I hereby certify the foregoing was served by US mail, first-class postage paid, on the 15<sup>th</sup> day of August, 2012, to the following:

Doley Securities, LLC  
C/O Chad Robert  
616 Baronne, Ste. 300  
New Orleans, LA 70113



**MIKE WINSOR**

Office of the Commissioner of Securities and  
Insurance, Montana State Auditor (CSI)  
840 Helena Avenue  
Helena, MT 59601  
(406) 444-2040

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
MONTANA STATE AUDITOR**

IN THE MATTER OF THE  
REGISTRATION APPLICATION OF  
DOLEY SECURITIES, LLC

Respondent.

)  
) CASE NO. SEC-2012-118  
)  
) **AFFIDAVIT OF LYNNE EGAN**  
)  
)  
)  
)  
)  
)

STATE OF MONTANA )  
 ) :ss.  
County of Lewis and Clark )

LYNNE EGAN, being first duly sworn, deposes and says:

1. I am employed by the State of Montana as the Deputy Securities Commissioner for the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI).
2. Doley Securities, LLC (Doley), CRD # 7081, submitted its application to register as a broker-dealer firm with the CSI on March 8, 2010. Doley is domiciled in the state of Louisiana. The firm's Form BD indicates its address is 616 Baronne Street, New Orleans, LA 70113-1004. The firm's phone number is (504) 561-1128. The contact person for the firm is Allen Counts, Chairman.
3. On March 9, 2010, the CSI sent a certified letter requiring the firm to disclose the existence of any transactions with Montana residents for the period March 9, 2008, to the



present. The CSI received a certified letter acknowledgement card on March 15, 2010, indicating the firm received the letter. Doley did not respond to the request.

4. On September 3, 2010, the CSI sent a second certified letter requiring the firm to disclose the existence of any transactions with Montana residents. The CSI received a certified mail acknowledgement card on September 13, 2010, indicating the firm received the letter. Doley did not respond to the second request for information.

5. On December 5, 2011, Doley filed a Form BD-W in an attempt to withdraw its application with the CSI. The CSI sent a letter to Doley on December 6, 2011, informing the firm that it would not process the withdrawal until Doley responded to the CSI's previous letters and disclosed the existence of any transactions with Montana residents. Doley did not respond to this letter.

6. On April 17, 2012, the CSI sent a "Final Request for Information" certified letter requiring Doley to respond to its March 9, 2010; September 3, 2010; and December 5, 2011, letters. The letter required Doley to provide a response within ten business days of receipt of the letter and included the statement, "[f]ailure to provide this information will be deemed a refusal to provide the information." A certified letter acknowledgement card was received dated April 23, 2012. To date, Doley has not responded.

7. My review of the Financial Industry Regulatory Authority (FINRA) database indicates that on April 17, 2012, FINRA issued a Notice of Intent to Suspend Letter to Doley for its failure to pay arbitration fees assessed in FINRA Arbitration Case 10-05352.

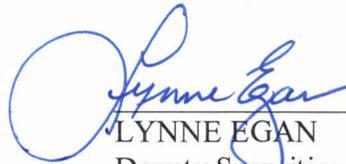
8. My review of the FINRA database indicates that on May 8, 2012, FINRA suspended Doley's FINRA membership for failure to pay arbitration fees assessed in FINRA Arbitration Case 10-05352.

9. My review of the FINRA database indicates that on June 1, 2012, FINRA suspended Doley's FINRA membership for failure to file its March 2012, FOCUS report.

10. My review of the FINRA database indicates that on July 3, 2012, FINRA suspended Doley's FINRA membership for failure to file its April 2012, FOCUS report.

11. My review of the FINRA database indicates that on July 20, 2012, FINRA expelled Doley from FINRA membership for failure to timely request termination of its suspension.

DATED this 15<sup>th</sup> day of August, 2012.



LYNNE EGAN  
Deputy Securities Commissioner  
Office of the Commissioner of Securities  
and Insurance, Montana State Auditor

SUBSCRIBED and SWORN to before me this 15<sup>th</sup> day of August  
2012, by Lynne Egan.

