

**ADMINISTRATIVE PROCEEDING**  
**BEFORE THE**  
**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

<b>IN THE MATTER OF:</b>	<b>)</b>	<b>ORDER REVOKING REGISTRATION</b>
	<b>)</b>	<b>AND IMPOSING A PERMANENT BAR</b>
<b>Christopher A. Corso, Sr.,</b>	<b>)</b>	<b>FROM REGISTRATION</b>
	<b>)</b>	
<b><u>Respondent.</u></b>	<b>)</b>	<b>File Number 07003</b>

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the “Act”), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2007), issued a “Notice of Intent to Seek Revocation of Registration and Permanent Bar” (the “Notice of Intent”) against Christopher A. Corso, Sr. (“Respondent”) on September 21, 2007; and

WHEREAS, the Notice of Intent set forth an alleged factual history and the applicable law to revoke Respondent’s registration and bar him from registering again as a broker-dealer agent in this State and gave Respondent notice and opportunity for a hearing; and

WHEREAS, the Notice of Intent indicates that in the event written notice requesting a hearing is not received within thirty (30) days from the date of receipt of the Notice of Intent, an Order Revoking Respondent’s Registration and Issuing a Permanent Bar from Registration may be entered in the proceeding with no further notice; and

WHEREAS, service of process of the Notice of Intent was perfected on Respondent pursuant to S.C. Code Ann. § 35-1-611; and

WHEREAS, more than thirty (30) days have passed since Respondent's receipt of the Notice of Intent and Respondent has not filed a written notice requesting a hearing in this matter and the time to do so has expired; and

WHEREAS, action against the Respondent is necessary and appropriate in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act;

NOW THEREFORE, based on the findings of fact and conclusions of law set forth in this Order, Respondent's registration as a broker-dealer agent in the State of South Carolina is hereby revoked and Respondent is permanently barred from registration as a broker-dealer agent in this State.

#### **FACTUAL HISTORY**

1. Respondent is a natural person whose last known address, as filed on the Central Registration Depository maintained by the Financial Industry Regulatory Authority ("FINRA"), an entity that resulted from the merger of the National Association of Securities Dealers ("NASD") and the New York Stock Exchange's ("NYSE") Member Regulation unit, is 3728 Duck Creek, Garland, Texas 75043.
2. On or about April 22, 2003, Respondent registered in South Carolina as an agent of Richmark Capital Corporation.
3. On or about May 28, 2004, Respondent registered in South Carolina as an agent of CAC Capital Corporation.
4. On or about April 25, 2003, May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent filed with the Division "Uniform

Application for Securities Industry Registration or Transfer" documents ("Form U-4s") to register or amend Respondent's agent registration.

5. Respondent signed section 15.A of all Form U-4s with the exception of the filing on June 2, 2004, attesting that he had read and understood the items and instructions on the Form U-4s, that he understood he would be subject to administrative, civil or criminal penalties if he gave false or misleading answers, that his answers were true and complete to the best of his knowledge, that he agreed to update the Form U-4s by causing an amendment to be filed on a timely basis whenever changes occurred to the answers previously reported, and to the extent any information previously submitted was not amended, that the information provided in the Form U-4s was currently accurate and complete.
6. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of driving while intoxicated 3<sup>rd</sup> (the "DWI Felony"), a third degree felony due to prior convictions for the offenses of driving a motor vehicle while intoxicated. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the DWI Felony. On or about January 22, 2004, Respondent entered a plea of guilty and was convicted of the DWI Felony.
7. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of possession of cocaine under one gram (the "Possession Felony"), a state jail felony. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the Possession Felony.
8. Item 14A(1) of the Form U-4s required Respondent to answer "yes" or "no" to whether he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.

9. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent answered “no” to item 14A(1), thereby failing to disclose the DWI Felony charge, the DWI Felony guilty plea and conviction, and the Possession Felony charge.
10. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent failed to indicate or denied he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
11. Each of Respondent’s failures to submit a truthful response and/or to amend an earlier negative response to Item 14A(1) on Form U-4s filed on or after May 20, 2003, constitutes a violation of the Act.
12. Pursuant to Sections 14.A(1), 14.A(6), 14.A(7) and 23-1 of the Texas Securities Act and § 105.5 and § 105.8(a) of the Texas Securities Board Rules, following notice and opportunity for a hearing, the Texas Securities Commissioner revoked Respondent’s registration on March 5, 2007.
13. Respondent’s agent registration in the State of South Carolina terminated on December 31, 2006.
14. The foregoing charges and felony conviction, Respondent’s failure to disclose the felony charges and conviction, and the Texas Securities Commissioner’s revocation of Respondent’s agent registration after notice and opportunity for a hearing are all grounds for (1) revocation of Respondent’s agent registration in South Carolina and (2) the issuance of a permanent bar against Respondent, pursuant to Sections 35-1-409 and 35-1-412 of the Act.

## **CONCLUSIONS OF LAW**

### **15. Concerning jurisdiction**

Pursuant to S.C. Code Ann. § 35-1-409, the Securities Commissioner may institute a revocation proceeding under S.C. Code Ann. § 35-1-412 within one year after the withdrawal of a registration as a broker-dealer, agent, investment adviser or investment adviser representative became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective.

The revocation proceeding against Respondent in the present case was instituted within one year after Respondent's broker-dealer agent registration terminated automatically effective December 31, 2006.

### **16. Concerning issuing an order revoking Respondent's broker-dealer agent registration in this State**

S.C. Code Ann. § 35-1-412(b) authorizes the Securities Commissioner to issue an order to revoke the registration of a registrant if the Securities Commissioner finds the Order to be in the public interest and S.C. Code Ann. § 35-1-412(d) authorizes the action.

An order revoking Respondent's registration as a broker-dealer agent is necessary and appropriate in the public interest, for the protection of investors and is authorized by S.C. Code Ann. § 35-1-412(d) as set forth in more detail in items 18, 19, 20 and 21 below.

### **17. Concerning issuing a permanent bar from registration in this State**

S.C. Code Ann. § 35-1-412(c) authorizes the Securities Commissioner to issue a permanent bar from registration against a registrant if the Securities Commissioner finds the permanent bar to be in the public interest and S.C. Code Ann. § 35-1-412(d) (1) through (6), (8), (9), (10), or (12) and (13) authorizes the action.

An order permanently barring Respondent from registration as a broker-dealer agent in this State is necessary and appropriate in the public interest, for the protection of investors and is authorized by S.C. Code Ann. § 35-1-412(d) as set forth in more detail in items 18, 19, 20 and 21 below.

**18. Concerning actions authorized by S.C. Code Ann. § 35-1-412(d)(1), (2), (3) and (5)**

S.C. Code Ann. § 35-1-412(d)(1), (2), (3) and (5), authorizes the Securities Commissioner to discipline a person under S.C. Code Ann. § 35-1-412(a) through (c) if the person:

- a. Has filed an application for registration in South Carolina under the Act within the previous ten (10) years, which was incomplete in any material respect or contained a statement that in light of the circumstances was false or misleading with respect to a material fact;
- b. Has willfully violated or willfully failed to comply with the Act or a rule adopted or order issued under the Act;
- c. Has been convicted of a felony;
- d. Is the subject of an order, issued after notice and opportunity for a hearing by the securities or other financial services regulator of a State or the Securities and Exchange Commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative; or
- e. Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous ten (10) years.

The Respondent has filed multiple applications for registration in South Carolina under the Act within the previous ten (10) years which were incomplete in a material respect or contained statements that were false or misleading with respect to a material fact. On form U-4's filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent answered "no" to item 14(A)(1), thereby failing to disclose two felony charges and a felony conviction.

**19. Concerning other grounds for revoking Respondent's registration and barring him from future registration**

S.C. Reg. 13-502(B) provides engaging in conduct such as non-disclosure, incomplete disclosure, or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, imposition of administrative fines, or such other action authorized by statute.

The Respondent has engaged in non-disclosure, incomplete disclosure and deceptive practices in connection with his activities in becoming registered as a broker-dealer agent in this State.

**20. Concerning Orders being in the public interest, for the protection of investors**

Given the nature and extent of the findings against Respondent, including his felony plea and the dishonest and unethical behavior involved in filing multiple false reports with the Division, an order revoking Respondent's registration and permanently barring Respondent from registering in this State as a broker-dealer agent in the future is necessary and appropriate in the public interest and consistent with the purposes fairly intended by the policies and procedures of the Act.

**ORDER IMPOSING PERMANENT BAR FROM REGISTRATION**

21. Pursuant to S.C. Code Ann. § 35-1-412, IT IS HEREBY ORDERED that Respondent's registration is revoked as of December 31, 2006, and Respondent is permanently barred from

registration as a broker-dealer, broker-dealer or issuer agent, investment adviser, or investment adviser representative in the State of South Carolina.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENALTIES UNDER S.C. CODE ANN. § 35-1-508. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508.

**IT IS SO ORDERED.**

Executed and entered, this the 21<sup>st</sup> day of August 2008.



Henry McMaster  
Securities Commissioner