

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE AT NASHVILLE**

TENNESSEE SECURITIES DIVISION,)	
Petitioner)	
)	Order No. 04-016
vs.)	
)	
TYKISHA HARRISON,)	
Respondent)	

CONSENT ORDER

The Tennessee Securities Division (“Division”), and Tykisha Harrison, Respondent herein, agree to the entry of this Agreed Order in accordance with Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. (“Act”), which states that the Commissioner of Commerce and Insurance (“Commissioner”) from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and

consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. (the “Act”), places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance (“Commissioner”). The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115.

2. Respondent, Tykisha Harrison, (“Harrison”) (CRD#4290471) is a citizen and resident of Shelby County, Tennessee. She maintains her address at 3695 Hyacinth, Memphis, TN 38115. Harrison is employed at Morgan Keegan as an administrative assistant and annuity processor. She is listed on WebCRD as a “Nonregistered Fingerprint Person.”

Eugene Turner Incident

3. Eugene Turner ("Turner") is a citizen and resident of Shelby County, Tennessee. He maintains his address at 2397 Vollintine Ave., Memphis, TN 38108.

4. Turner states that Adrian Bond, the subject of Consent Order #04-015, called him at his home on or about August 15, 2003 with an investment opportunity. Bond told Turner that he had a client who was going to lose the return on his investment because he had taken too much out of his account and did not have the funds to cover a buyout. If the client could borrow the funds, then he could get his full return and avoid losing \$6,000. The person lending the money would receive a gain from the full payout.

5. Turner states that Bond proposed using Turner's funds from an IRA account as an investment to keep the loss from occurring. Bond told Turner that the funds would be out of his account for about 30 days and that the return on his investment was certain. Bond said there was no risk.

6. Turner states that he questioned Bond about funds being taken from an IRA account. Bond assured Turner that the funds could be moved in and out of the account with safety and without penalty for 60 days. Turner agreed to the proposal on August 21, 2003. Turner believed Bond because he had been his financial adviser on previous purchases. On August 25, 2003, Bond called Turner and told him everything was in place to remove the funds from the IRA account and asked that a cashier's check be issued to the client's wife, Tykisha Harrison. Turner met Bond at First Tennessee Bank and Turner purchased a cashier's check for \$19,980.00 and gave it to Bond.

8. Turner states that Bond gave him a written summary of the investment which

called for an investment of \$19,890.00 on August 20, 2003 for QLGC stock at \$50.20 and a buyout at \$63.75 on September 26, 2003. The yield on investment would be \$26,120.00, which would represent a 31.3% return.

9. In mid-September, 2003, Bond called Turner and told him everything was going well, and the transaction would take place. When Turner received his September statements from Wachovia, the funds were not back in the account. Turner tried to contact Bond, and when Bond returned the call, he told Turner that he had been assigned to work in Atlanta, but assured Turner that the transaction had taken place.

10. Turner attempted to contact Bond in early October 2003 to no avail. Turner was told that Bond was no longer employed at Wachovia. On October 10, 2003, Bond contacted Turner telling him that he had moved to another firm. Turner made an appointment for Bond to come to his home to transfer his accounts to the new firm. Bond completed the Brokerage Account Transfer Form and asked for a copy of Turner's last Wachovia Account statement.

11. Turner asked Bond about the whereabouts of the funds that had been previously transferred. Bond told him that they were in his client's account. Turner requested that the funds be returned to his account as a cashier's check. Bond took no immediate action.

12. On November 13, 2003, Turner requested that his initial investment be returned. On November 19, 2003, Bond called and said that he had a cashier's check but he had to open an account to deposit it. Bond went to the Turner home with a book of blank checks. Bond wrote two checks to Turner. One was for the initial investment and

one was for the investment gain. They made an appointment to meet at the bank to redeem the checks after the 24 hour period for holding funds had expired.

13. Bond rescheduled the meeting, but when they did meet, Bond said that the check had not cleared. The funds were to be released the next day. Turner could not reach Bond the next day. Turner then took the checks to the bank himself and was told that the checks were not negotiable.

14. On November 26, 2003, Bond delivered a check to Turner for \$19,915 with Tim Harrison listed as the remitter. Turner attempted to deposit the check into his Wachovia IRA account and was told that the funds had been out of the account over 30 days and would be considered income for tax purposes.

15. The withdrawn funds were taxed as ordinary income which tripled Turner's tax liability for 2003.

16. An affidavit executed by Tykisha Harrison dated June 23, 2004 indicates that On August 25, 2003, Harrison met Adrian Bond at a First Tennessee bank branch in Memphis and that Bond gave Mrs. Harrison a cashier's check payable to her in the amount of \$19,890.00 with a remitter name of Eugene Turner. Harrison states that she endorsed the check according to Bond's instructions and gave the check to Bond. Harrison states that she is unaware of what happened to the proceeds of the check from that point.

Sean Lyles Incident

17. Sean Lyles ("Lyles") is a citizen and resident of Tennessee. Lyles was a client of Wachovia and Bond.

18. Lyles states that on December 18, 2002 a transfer was made from his

account. The transfer was for \$10,000.00 and the recipient was Ty Harrison. Lyles states that he did not sign the Letter of Authorization did not authorize the transfer, and he does not know Ty Harrison. Bond was the agent for Lyles.

19. In an affidavit executed by Tykisha Harrison, Harrison states that in late December 2002, funds in the amount of \$10,000.00 were transferred to an account held by Mrs. Harrison at American Savings Credit Union. Harrison states that Bond instructed her to make several checks payable to him. Harrison states that she is unaware of what happened to the funds when she gave them to Bond.

CONCLUSIONS OF LAW

20. Pursuant to Tenn. Code Ann. §48-2-115(a), the responsibility for administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

21. Tenn. Code Ann. § 48-2-121(a) states that it is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to: (1) employ any device, scheme, or artifice to defraud; (2) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

22. The averments in paragraphs one – nineteen of this Consent Order, constitute practices by Tykisha Harrison which would provide grounds under Tenn. Code Ann. §48-2-121(a)(3) for the entry of an order of sanctions in that Tykisha Harrison was a

willing participant in the conversion of funds by Adrian Bond, said funds being related to securities transactions.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondent's waiver of the right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 et seq., and Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that Respondent, for the purpose of settling this matter, admits the matters herein, has agreed to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tennessee Code Annotated § 48-2-116(a) of the Tennessee Securities Act that:

1. Respondent, Tykisha Harrison, **IS ORDERED TO AND AGREES** to fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder.

2. Respondent, Tykisha Harrison, **IS ORDERED TO AND AGREES** to permanently cease and desist in conduct as a broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative from, in or into the State of Tennessee. Tykisha Harrison **IS ORDERED TO AND AGREES** to permanently cease and desist in conducting securities transactions on behalf of other from, in, or into the State of Tennessee. Tykisha Harrison **IS ORDERED AND AGREES** to be permanently prohibited from applying for or seeking registration as a broker-dealer, agent of a broker-dealer,

investment adviser, or investment adviser representative through the State of Tennessee, Department of Commerce and Insurance, Division of Securities.

3. Respondent, Tykisha Harrison, is hereby NOTIFIED and Respondent acknowledges that should she apply for or seek registration within the securities industry, the action taken as a result of this Consent Order and the circumstances surrounding this Consent Order shall be disclosed on Form U-4, pursuant to the instructions of said form and as required by the NASD, and she shall file the appropriate Disclosure Reporting Page to disclose the details of this action.

4. Respondent, Tykisha Harrison, is hereby **ASSESSED and ORDERED** to pay cost recovery related to the costs of the investigation in the amount of one hundred and ten dollars (\$110.00). Said sum shall be due and paid in full upon execution of this document, but in no event later than August 6, 2004. Payment in the form of a cashier's check or money order ***made payable to the State of Tennessee***, shall be mailed or delivered to:

State of Tennessee
Department of Commerce and Insurance
Securities Division
Attention: Michele K. Elliott, Staff Attorney
500 James Robertson Parkway, 5th Floor
Nashville, Tennessee 37243.

5. Respondent hereby AGREES that failure to comply with all the requirements and prohibitions contained in this Order shall result in further enforcement action by the Division, the Department of Commerce and Insurance, and/or the State of Tennessee in order to enforce the provisions contained herein. Respondent hereby AGREES that failure to comply with all the requirements and prohibitions contained in this Order shall result in

the denial of any application by Respondent, Tykisha Harrison, for any registration an/or any licensure with or through the Department of Commerce and Insurance for the State of Tennessee.

Execution of this Consent Order is due on or before August 6, 2004.

IT IS ORDERED that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Tykisha Harrison for violations of the Act alleged by the Tennessee Securities Division to have occurred with respect to facts contained herein.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signature affixed below, Tykisha Harrison, affirmatively states that she has freely agreed to the entry of this Consent Order, that she waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 2nd day of September, 2004.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

Tykisha Harrison

Tykisha Harrison

Daphne D. Smith

Daphne D. Smith,
Assistant Commissioner for Securities
Department of Commerce and Insurance

Michele K. Elliott

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