

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION



IN RE:

BAYSIDE WEALTH MANAGEMENT, LLC,
Respondent.

Administrative Proceeding
No. 0545-S-9/10

_____ /

FINAL ORDER

The State of Florida, Office of Financial Regulation (the "Office") and Bayside Wealth Management, LLC, ("Respondent"), having entered into a Stipulation and Consent Agreement, last dated May 25, 2011, attached hereto, resolving and concluding this matter;

IT IS ACCORDINGLY ORDERED:

1. The Stipulation and Consent Agreement entered between the Office and Respondent and attached hereto is incorporated by reference as if set out herein at length.

2. The Office and Respondent shall comply with all provisions of the incorporated Stipulation and Consent Agreement.

DONE and ORDERED this 26th day of May, 2011
in Tallahassee, Leon County, Florida.

J. Thomas Cardwell / JC
J. THOMAS CARDWELL, Commissioner
Office of Financial Regulation

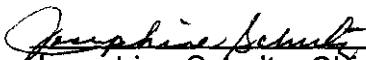
NOTICE OF RIGHT TO JUDICIAL REVIEW

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER IS ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTION 120.68, FLORIDA STATUTES. REVIEW PROCEEDINGS ARE GOVERNED BY THE FLORIDA RULES OF APPELLATE PROCEDURE, RULE 9.110(C). SUCH PROCEEDINGS ARE COMMENCED BY FILING THE ORIGINAL OF A NOTICE OF APPEAL WITH THE AGENCY CLERK, OFFICE OF FINANCIAL REGULATION, LEGAL SERVICES OFFICE, ROOM 118, FLETCHER BUILDING, 200 EAST GAINES STREET, TALLAHASSEE, FLORIDA 32399-0379, AND A COPY, ACCOMPANIED BY FILING FEES PRESCRIBED BY SECTION 35.22, FLORIDA STATUTES, WITH THE DISTRICT COURT OF APPEAL, FIRST DISTRICT, 2000 DRAYTON DRIVE, TALLAHASSEE, FLORIDA 32399-0950, OR WITH THE DISTRICT COURT OF APPEAL IN THE APPELLATE DISTRICT WHERE THE PARTY RESIDES. THE NOTICE OF APPEAL MUST BE FILED WITHIN 30 DAYS OF RENDITION OF THE ORDER TO BE REVIEWED.

Copy to: Clyde Caillouet

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing FINAL ORDER has been furnished by U.S. Mail to R. Michael Underwood, Fowler White Boggs, attorney for Bayside Wealth Management, LLC, 101 North Monroe Street, Suite 1090, Tallahassee, Florida 32301 this 27th day of May, 2011.


Josephine Schultz, Chief Counsel
Florida Bar No. 0722650
Clyde Caillouet
Assistant General Counsel
Florida Bar No. 826863
Office of Financial Regulation
4900 Bayou Boulevard, Suite 103
Pensacola, Florida 32503
(850) 453-7908

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Respondent.
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STIPULATION AND CONSENT AGREEMENT

The State of Florida, Office of Financial Regulation (the "Office") and Bayside Wealth Management, LLC, ("Respondent") in consideration of the mutual promises herein, recite, stipulate, and agree as follows:

1. Respondent. Bayside Wealth Management, LLC, registered as an investment adviser since September 9, 1997, whose primary place of business is located at 3 West Garden Street, Suite 710, Pensacola, Florida 32502, at all times material hereto was engaged in the investment adviser business in Florida.

2. Background. The Office, based upon an examination of Respondent's business practices, commenced March 29, 2010, is of the opinion that grounds exist to initiate and maintain an administrative proceeding against Respondent pursuant to Chapter 517, Florida Statutes.

3. Jurisdiction. The Office has jurisdiction over Respondent pursuant to the provisions of Chapter 517, Florida Statutes.

4. Findings. The Office finds that the Respondent violated the sections of the Florida Statutes and/or the rules of the Florida Administrative Code as set out below. Respondent neither admits nor denies the alleged violations, but consents to the entry of said findings by the Office, as follows:

- a. Respondent violated Section 517.161(1)(h), Florida Statutes, and Rule 69W-600.0131(1)(q), Florida Administrative Code, by failing to state the term of the advisory contract.
 - b. Respondent violated Section 517.1215(1), Florida Statutes, and Rule 69W-600.0132(2)(f), Florida Administrative Code, by failing, each time a fee is directly deducted from a client account, to concurrently send the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. (FKW
May 25, 2011)
 - c. Respondent violated Rule 69W-600.014(3)(j), Florida Administrative Code, by failing to maintain written procedures to supervise the activities of employees and investment adviser representatives that are reasonably designed to achieve compliance with applicable securities laws and regulations.
 - d. Respondent violated Rule 69W-600.014(3)(e), Florida Administrative Code by failing to maintain true, accurate and current records of an annual offer or delivery of its Form ADV or a written document containing at least the information then so required to any client or prospective client since it began business in September 1997.
 - e. Respondent violated Rule 69W-600.0131(1)(s), Florida Administrative Code by using an investment advisory contract that contains a hedge clause.
5. Consideration. The parties agree that the issues raised in this proceeding

can be expeditiously resolved without the expense of litigation and a formal hearing. Therefore, in compromise and settlement of the matters contained in this agreement, Respondent agrees to the following terms and conditions:

- a. Cease and Desist. Respondent agrees to cease and desist from any and all present and future violations of Chapter 517, Florida Statutes, and the rules promulgated thereunder.
- b. Fines. Respondent agrees to pay to the Office at the time of execution and delivery of this Stipulation an administrative fine by cashier's check or money order in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) payable to the "Department of Financial Services." Respondent agrees that (1) in accordance with section 215.31, Florida Statutes, regarding the deposit of monies that the tendered fine or settlement check proceeds may be deposited in advance of full execution or acceptance of the proposed settlement agreement and (2) such deposit shall not be construed as final acceptance of the stipulation absent full execution thereof and entry of the Final Order adopting same.

6. Final Order. Respondent consents to the entry of a Final Order, a copy of which is attached hereto, adopting and incorporating this Stipulation by reference. Respondent understands and agrees that this Stipulation and Consent Agreement is subject to final approval by the Commissioner and by entry of a Final Order adopting it. The Final Order incorporating the terms of this Stipulation and Consent Agreement is

final agency action by the Office, for which the Office may seek enforcement pursuant to the provisions of Chapter 120 and 517, Florida Statutes.

7. Business conduct. Respondent henceforth agrees in the conduct of any and all business affairs as licensed under Chapter 517, Florida Statutes, to strictly comply with all provisions of the Act as it now exists and as it may be amended from time to time, and Respondent will further comply with all Rules of the Office duly adopted pursuant to the Act, as such Rules now exist and as they may be amended from time to time.

8. Waivers. Respondent knowingly and voluntarily waives: (1) any right to receipt of administrative charges or complaint and a notice of rights pursuant to Chapter 120, Florida Statutes; (2) any right to an administrative hearing provided by Chapter 517 or Chapter 120, Florida Statutes; (3) any requirement that the Office's final order contain separately stated findings of fact and conclusions of law or a notice of rights; (4) any right to issuance of a recommended order by an administrative law judge from the Division of Administrative Hearings or a hearing officer from the Office; and (5) any and all rights to object to or challenge in any judicial proceeding, including but not limited to an appeal pursuant to Section 120.68, Florida Statutes, any provision term, obligation, condition or requirement of the Office's final order.

9. Release. Respondent hereby waives, releases and forever discharges the Office and its agents, representatives and employees from any and all causes of action that Respondent may have arising out of this Administrative Proceeding. The Office accepts this release and waiver without in any way acknowledging and expressly denies any such right or cause of action may exist.

10. Attorney's fees. Each party herein shall be solely responsible for their separate costs and attorney's fees incurred in the prosecution, defense or negotiations in this matter up to and including entry of the final order.

11. Failure to Comply. Respondent agrees that failure to comply with any of the terms, conditions or obligations of this Stipulation is a violation of a Final Order of the Office. Such noncompliance may result in the issuance of an emergency cease and desist order.

12. Authority. The undersigned officer executing on behalf of the business named herein represents that the officer has the requisite authority to enter into and bind the business to this agreement.

WHEREFORE, in consideration of the foregoing, the Office and Respondent execute this Stipulation and Consent to Issuance of a Final Order as attached hereto, on the last date executed below.

Office of Financial Regulation

Bayside Wealth Management, LLC

By: Franklin L. Widmann
Franklin L. Widmann
Director, Division of Securities

By: Edward James Rose
Edward James Rose

Date: May 25, 2011

Date: 5/9/2011

State of Florida

County of Escambia

Before me, the undersigned notary public, personally appeared Edward James Rose, PRESIDENT of Bayside Wealth Management, LLC, who, upon being

duly sworn, states that he has read and understood the foregoing Stipulation and voluntarily signed it.

Sworn to and subscribed before me this 9th day of May

2011.

(Seal)



[Signature]
Notary Public

My commission expires:

2-28-2012

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2. The Office and Respondent shall comply with all provisions of the incorporated Stipulation and Consent Agreement.

DONE and ORDERED this _____ day of _____, 2011
in Tallahassee, Leon County, Florida.

J. THOMAS CARDWELL, Commissioner
Office of Financial Regulation

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Josephine Schultz, Chief Counsel
Florida Bar No. 0722650
Clyde Caillouet
Assistant General Counsel
Florida Bar No. 826863
Office of Financial Regulation
4900 Bayou Boulevard, Suite 103
Pensacola, Florida 32503
(850) 453-7908