



STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION

IN RE:

Administrative Proceeding

No. 143-SR-4/11

Jeffrey Harold Leach

Respondent.

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**FINAL ORDER**

The State of Florida, Office of Financial Regulation ("Office"), and William Roger Leach, ("Respondent"), having entered into the attached Stipulation and Consent Agreement ("Agreement"), last dated May 19, 2011, resolving and concluding this matter, it is therefore

ORDERED:

1. The Agreement entered into by the Office and Respondent, last dated May 19, 2011, is adopted and incorporated by reference herein as if set forth at length.
2. The parties shall comply with all provisions of the incorporated

Agreement.

**DONE AND ORDERED** this 24<sup>th</sup> day of May, 2011, in Tallahassee, Leon County, Florida.

J. Thomas Cardwell / Jc  
J. Thomas Cardwell  
Commissioner  
Office of Financial Regulation

## NOTICE OF RIGHTS

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. SUCH PROCEEDINGS ARE COMMENCED BY FILING ONE COPY OF A NOTICE OF APPEAL WITH THE AGENCY CLERK, OFFICE OF FINANCIAL REGULATION, LEGAL SERVICES OFFICE, POST OFFICE BOX 8050, TALLAHASSEE, FLORIDA 32314-8050, AND A SECOND 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.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Final Order has been furnished via regular U.S. Mail to Christine A. Bruenn, Bingham McCutchen LLP, Suite 300, 85 Exchange Street, Portland, Maine 04101-5045, and Tico Gimbel, c/o Messer, Caparello & Self, Post Office Box 15579, Tallahassee, Florida 32317 this 24<sup>th</sup> day of May, 2011.



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Alan Jackson  
Senior Attorney  
Office of Financial Regulation  
The Fletcher Building, Suite 660K  
200 E. Gaines Street  
Tallahassee, Florida 32399-0379  
(850) 410-9650

STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION

IN RE:

Jeffrey Harold Leach,

Administrative Proceeding  
No: 0143-SR-S/11

Respondent.  
\_\_\_\_\_ /

**STIPULATION AND CONSENT AGREEMENT**

The State of Florida, Office of Financial Regulation, (the "Office"), and Jeffrey Harold Leach, CRD# 3231849 ("Respondent") in consideration of the mutual promises herein, recite, stipulate, and agree as follows:

1. **Background:** Respondent has been domiciled in Florida since November 1999. Respondent was registered as an associated person of Citigroup Global Markets, a federal covered investment adviser from February 2000 to December 2008. On January 7, 2009, Respondent obtained registration in Georgia as an associated person of Morgan Stanley & Co., Incorporated, a federal covered investment adviser. On October 18, 2010, the Respondent applied for registration in Florida as an associated person of Morgan Stanley Smith Barney, a federal covered investment adviser. The Office issued a letter to determine if Respondent had engaged in investment advisory business from offices in Florida. Through the firm's counsel the Respondent cooperated with the Office and indicated that the lack of registration was the result of an oversight. The firm's counsel also indicated that the Respondent had engaged in business since January 2009, prior to obtaining proper registration in Florida.

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Based on the review of the information submitted, and the results arising from its review, the Office contends that grounds exist to initiate an administrative proceeding against Respondent, pursuant to Section 517.161, Florida Statutes.

2. **Jurisdiction:** The Office is the state agency charged with the administration and enforcement of Chapter 517, Florida Statutes, and the rules promulgated thereto. The Respondent stipulates that the Office has jurisdiction to bring administrative action against the Respondent.

3. **Findings:** The Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of resolving this proceeding, prior to a hearing and without an adjudication of any issue or law or fact, to the entry of the following findings by the Office, and the Office finds as follows:

a. Respondent engaged in investment advisory business within this state without the benefit of lawful registration in the State of Florida pursuant to Section 517.12(4), Florida Statutes.

4. **Consideration:** The parties agree that the issues raised in this proceeding can be expeditiously resolved without the expense of litigation and a formal hearing upon the following terms and conditions:

a. Respondent agrees to henceforth strictly comply with all provisions of Chapter 517, Florida Statutes and the rules promulgated thereunder;

b. Respondent shall pay an ADMINISTRATIVE FINE of \$10,000.00, with the submission of this Stipulation and Consent Agreement. This administrative fine shall be submitted in the form of a **cashier's check** or **money order** made payable to the "Department of Financial Services", and sent to Agency Clerk, Office of Financial

Regulation, Legal Services Office, Post Office Box 8050, Tallahassee, FL 32314-8050. Respondent agrees that this administrative fine shall be collected and deposited in accordance with Section 215.31, Florida Statutes. Respondent agrees, regarding the deposit of monies, that, (1) the tendered payment 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 a final acceptance of the Stipulation absent full execution thereof and entry of the Final Order adopting same;

c. The Office agrees to approve Respondent's pending application for registration as an associated person in Florida with Morgan Stanley Smith Barney. Approval shall be granted upon receipt of all required payments, and entry of the Final Order. The Final Order will not be entered until all deficiencies in the application have been resolved. However, in the event the Office discovers any additional adverse information concerning any application prior to entry of the Final Order adopting this Agreement, the Office reserves all legal rights and authority to take any action on the pending application as may be appropriate. Such action may include, but is not limited to, issuing an administrative complaint based on the violations cited above.

5. **Final Order:** Respondent consents to the issuance by the Office of the accompanying Final Order, attached hereto as "Exhibit A", which incorporates by reference the terms of this Stipulation and Consent Agreement. Respondent understands and agrees that this Stipulation and Consent Agreement is subject to the final approval of the Commissioner of the Office of Financial Regulation and the entry of the Final Order adopting same. In the event that the Final Order is not entered, this Stipulation and Consent Agreement shall be null and void. The Final Order incorporating this Stipulation and Consent Agreement constitutes final agency

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

6. **Consent and Waiver:** By Respondent's consent to the entry of the Final Order with respect to this proceeding, Respondent knowingly and voluntarily waives:

a. any right to receive notice of administrative charges or an administrative complaint and notice of rights pursuant to Chapter 120, Florida Statutes;

b. any right to an administrative hearing provided by Chapter 120, Florida Statutes and the Act;

c. any requirement that the Office's final order contain separately stated Findings of Fact and Conclusions of Law or a Notice of Rights;

d. 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

e. 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 term, condition, obligation, or duty expressly created by the Final Order.

7. **Releases:** Upon full execution of this Agreement, Respondent waives and releases the Office's agents and representatives, and employees from any and all causes of action that Respondent may have arising from or relating to the subject matter hereof. The Office agrees to accept this release on behalf of itself, its agents, representatives and employees without acknowledging and expressly denying that any such cause or causes of action may exist.

8. **Future Actions:** This Stipulation and Consent Agreement is being executed solely for the purpose of resolving and settling the instant proceeding. Nothing herein shall be

construed to waive or restrict the Office's right in a future proceeding to undertake any administrative action under the provisions of Chapter 517, Florida Statutes, or any civil or criminal prosecution, arising out of any facts or circumstances undisclosed or undiscovered at the time of the entry of the Final Order; or facts unrelated to this settlement should further information warrant such action. In no event, however, shall the facts and circumstances at issue in this proceeding constitute the sole basis for future action by the Office.

9. **Failure to Comply:** Respondent acknowledges, concurs and stipulates that Respondent's failure to comply with any of the terms, obligations and conditions of this Stipulation and Consent Agreement, and the Final Order adopting it, violates this written agreement and the Final Order entered pursuant to Chapters 120 and 517, Florida Statutes. Such non-compliance may result in the issuance of an emergency cease and desist order. However, nothing herein shall be construed to limit Respondent's right to contest any finding or determination of non-compliance.

10. **Attorneys' Fees:** Each party herein shall be solely responsible for its attorneys' fees and costs incurred up to and including entry of the Final Order in this matter.

11. **Severability:** Respondent agrees that if any provision of this Stipulation and Consent Agreement or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect the remaining provisions of the Stipulation and Consent Agreement or the Final Order adopting it, which shall be given effect without the invalid provision(s), and to this end, the provisions of this Stipulation and Consent Agreement are severable.

12. **Agreement Covered by the Law of the State of Florida:** This Agreement and performance hereunder and all suits and special proceedings hereunder shall be construed in accordance with the laws of the State of Florida.

13. **Venue:** In any action, special proceeding, or other proceedings that may be brought arising out of, in connection with, or by reason of this Agreement, the laws of the State of Florida shall be applicable and shall govern to the exclusion of the law of any other forum, and venue shall be in Leon County, Florida.

14. **Entire Agreement:** This Agreement represents the entire agreement by and between Respondent and the Office. Any alterations, variations, changes, modifications or waivers of the provisions hereof shall be valid only when they have been reduced to writing, duly signed by the Office and Respondent hereto and attached to the original of this Agreement.

[This portion after Item 14 intentionally left blank]

WHEREFORE, in consideration of the foregoing, the Office and Respondent undersigned execute this Agreement for the issuance of the attached Final Order on the last date executed below.

JEFFREY HAROLD LEACH

By: *Jeffrey H. Leach*  
Signature

05/12/2011  
Date

State of GA

County of Fulton

Before me, the undersigned notary public, personally appeared Jeffrey H. Leach, who upon being duly sworn, states that (s)he has read and understands the foregoing Stipulation and voluntarily signed same. Sworn to and subscribed before me this 12<sup>th</sup> day of May, 2011.

*[Signature]*  
Notary Public

Notary Public, Fayette County, Georgia  
My Commission Expires June 7, 2011

Personally Known  OR Produced Identification

Type of Identification Produced Florida Driver's Licence

OFFICE OF FINANCIAL REGULATION,

*Franklin L. Widmann*  
FRANKLIN L. WIDMANN, Director  
Division of Securities

May 19, 2011  
Date

**STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION**

**IN RE:**

**Administrative Proceeding  
No.**

**Jeffrey Harold Leach**

**Respondent.**

\_\_\_\_\_ /

**FINAL ORDER**

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**ORDERED:**

1. The Agreement entered into by the Office and Respondent, last dated \_\_\_\_\_, 2011, is adopted and incorporated by reference herein as if set forth at length.
2. The parties shall comply with all provisions of the incorporated Agreement.

**DONE AND ORDERED** this \_\_\_\_\_ day of \_\_\_\_\_, 2011, in Tallahassee, Leon County, Florida.

\_\_\_\_\_  
J. Thomas Cardwell  
Commissioner  
Office of Financial Regulation

**EXHIBIT A**

**NOTICE OF RIGHTS**

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