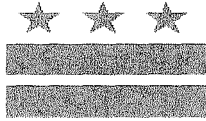


Government of the District of Columbia
Department of Insurance, Securities and Banking



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DEPARTMENT OF INSURANCE
SECURITIES AND BANKING

Thomas E. Hampton
Commissioner

IN THE MATTER OF:

ARNOLD H. MAYS
(CRD NO. 14174)
3719 Ingomar Street, N.W.
Washington, D.C. 20015

Respondent

ORDER NO.: SB-07-001

**ADMINISTRATIVE CONSENT AGREEMENT
AND SETTLEMENT ORDER**

Whereas, Arnold H. Mays ("Respondent") is the owner and sole proprietor of Arnold H. Mays, CFP, a firm that maintains a business office at 3719 Ingomar Street, N.W., Washington, D.C. 20015;

Whereas, on March 20, 2006, the Department of Insurance, Securities and Banking (the "Department"), received an application from Respondent for a license to act as an investment adviser representative in the District of Columbia;

Whereas, on March 31, 2006, the Respondent's application was approved by the Licensing Division of the Department's Securities Bureau and Respondent received a license to act as an investment adviser in the District of Columbia;

Whereas, on May 15, 2006, the Department, through the Examinations Division of the Department's Securities Bureau, conducted an onsite examination of the office of the Respondent, located at 3719 Ingomar Street, N.W., Washington, D.C.;

Whereas, a review of the licensing documents of Respondent revealed that Respondent was not licensed in the District of Columbia as an investment adviser or investment adviser representative between January 1, 2003 and March 30, 2006, during

which time Respondent was transacting investment advisory business in the District of Columbia;

Whereas, the Department's examiners found that Respondent had a total of one hundred twenty one (121) investment accounts and collected a total of \$253,518.48 for investment advisory services between January 1, 2003 and March 30, 2006;

Whereas, the Commissioner of the Department (the "Commissioner"), having the authority to administer and provide for enforcement of the Securities Act of 2000, D.C. Official Code § 31-5601.01 *et seq.* (the "Securities Act"), and upon due consideration of the subject matter hereof, has determined that grounds exist to allege that the Respondent has engaged in acts or practices constituting violations of Section 202 of the Securities Act, D.C. Official Code § 31-5602.02 (a);

Whereas, without holding a hearing, without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Department and Respondent have reached a mutual agreement;

Whereas, Respondent agrees to voluntarily waive all rights to a hearing and appeal under D.C. Official code §§ 2-509 (a), 2-510 (a), and § 31-5602.02(b) (4), upon entry of this Order, and solely for the purposes of this proceeding;

NOW, THEREFORE, the Commissioner, as administrator of the Securities Act of 2000 (D.C. Official Code § 31-5601.01 *et. seq.*) hereby enters this Order:

I. JURISDICTION

1. The Department has jurisdiction over this matter pursuant to District of Columbia Official Code § 31-5602.06(a) and 31-5606.01(b).
2. This action concerns the period from January 1, 2003 to March 30, 2006.

II. FINDINGS OF FACT

1. On March 20, 2006, the Department of Insurance, Securities and Banking (the "Department"), received an application from Arnold H. Mays (the "Respondent") for a license to act as an investment adviser in the District of Columbia.
2. On March 31, 2006, the Respondent's application was approved by the Licensing Division of the Department's Securities Bureau, and Respondent received a license to act as an investment adviser in the District of Columbia.

3. On May 15, 2006, the Department, through the Examinations Division of the Department's Securities Bureau, conducted an on site examination of the office of the Respondent located at 3719 Ingomar Street, N.W., Washington, D.C.
4. A review of the licensing documents of Respondent revealed that Respondent was not licensed in the District of Columbia as an investment adviser or investment adviser representative between January 1, 2003 and March 30, 2006, during which time Respondent was transacting investment advisory business in the District of Columbia.
5. Respondent had a total of one hundred twenty one (121) investment accounts and collected a total of \$253, 518.48 for investment advisory services between January 1, 2003 and March 30, 2006.
6. Respondent has acknowledged that his failure to comply with the District of Columbia's licensing laws was the result of inadvertent omissions to review his license for 2003 and the consecutive years.
7. As a part of this agreement, Respondent agrees to conduct a review of its supervisory procedures regarding applicable licensing requirements and to maintain and enforce written supervisory procedures to ensure compliance with the licensing requirements
8. Respondent is desirous of settling this matter and voluntarily agrees to waive all rights to a hearing upon entering into this Agreement and, solely for the purposes of this proceeding, and without admitting or denying the existence of a violation, Respondent has consented to enter into this Agreement, and to the entry of this Order.

III. CONCLUSIONS OF LAW

1. The Department of Insurance, Securities and Banking has jurisdiction over this matter pursuant to District of Columbia Code §§ 31-5602.06(a) and 31-5606.01(b).
2. The transactions and activities conducted by Respondent, which included transactions and activities with District of Columbia residents, without being properly licensed in the District were violations of D.C. Official Code § 31-5602.02(a).

IV. AGREEMENT

1. On the basis of the Findings of Facts and Conclusions of Law, the Respondent consents to enter into this Order for the sole purpose of settling this matter, prior to a hearing and without admitting or denying any Findings of Facts or Conclusions of Law.
2. This Order concludes the concerns of the Department and any other action that the Commissioner could commence on behalf of the District of Columbia as it relates to these

violations by Respondent; provided, however that the Commissioner may enforce any claims against Respondent arising from or relating to any violation of this Order.

3. The Order shall become final upon its entry by the Department.
4. The Respondent will continue to provide the Department, specifically the Securities Bureau's Examination Division, with all information reasonably necessary to demonstrate Respondent's compliance with the terms of this Order.
5. The Respondent shall pay an amount of Twenty-Five Hundred dollars (\$2,500) to the Department as a civil monetary penalty pursuant to District of Columbia Official Code § 31-5606.02(b)(4), made payable to the 'D.C.' Treasurer' to be deposited into the District of Columbia's General Fund, pursuant to District of Columbia Code § 1-201.50. This amount shall be paid to the Department of Insurance, Securities and Banking no later than sixty (60) days from the date of entry of this Order.
6. If payment is not made by Respondent as agreed, the Commissioner may vacate this Order, at his sole discretion, upon ten days notice to the Respondent, and without an opportunity for an administrative hearing; and the Respondent agrees that any statute of limitations applicable to the subject of the investigation and any claims arising from or relating to the subject of the investigation and any claims arising from or relating thereto are tolled from and after the date of this Order until such date the Commissioner vacates this Order.
7. This Order and any dispute related thereto shall be construed and enforced in accordance, and governed by, the laws of the District of Columbia, without regard to any choice of law principles.
8. The Respondent represents, warrants, and agrees that the firm has received independent legal advice from its attorney(s) with respect to the advisability of executing this Order.
9. The Respondent, through its execution of the Consent Agreement and Order, voluntarily waives its right to a hearing on this matter and to judicial review of this Order under D.C. Official Code §§ 31-5606.02 (b) and 31-5608.03.

AGREED AND CONSENTED TO:

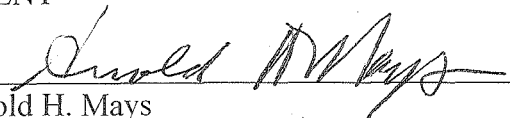
DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

BY:



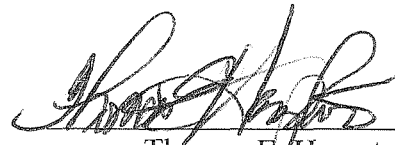
Theodore A. Miles - Director
Securities Bureau

RESPONDENT

BY: 
Arnold H. Mays

DATED THIS 23RD OF JULY, 2007

APPROVED and so ORDERED: In
Witness Whereof, I have hereunto set
my hand and affixed the official seal.
Of this Department in the District of
Columbia, this 23RD day of JULY, 2007.


Thomas E. Hampton,
Commissioner