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IN THE MATTER OF §
MIKE CHAMLEY §

Order No. ENF-18-CDO-1766

TO: Mike Chamley
900 South Harrison Street, Unit D
Alpine, Texas 79830

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (hereinafter referred to as the "Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-45 (West 2010 & Supp. 2017) (hereinafter referred to as the "Securities Act").

The Enforcement Division of the Texas State Securities Board has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. Mike Chamley (hereinafter referred to as "Respondent Chamley") maintains a last known address at 900 South Harrison Street, Alpine, Texas 79830.
2. Respondent Chamley has not been registered as an investment adviser or investment adviser representative at any time material to the facts described herein.

RESPONDENT CHAMLEY AND THE RENDERING OF UNREGISTERED INVESTMENT ADVICE FOR AN ELDERLY PERSON

3. An 88-year-old Texas resident (hereinafter referred to as the "elderly person") first met Respondent Chamley when the elderly person hired Respondent Chamley to service his computer.
4. Shortly thereafter, Respondent Chamley began trading securities in a securities account owned by the elderly person. The securities account is maintained in the name of the elderly person at a firm registered as a dealer with the Securities Commissioner.

5. Respondent Chamley promised to split the profits earned from trading securities with the elderly person.
6. Respondent Chamley has not earned any meaningful profits from trading securities in the securities account owned by the elderly person.

**THE TRANSFER OF FUNDS
FROM THE ELDERLY PERSON'S ACCOUNT TO RESPONDENT CHAMLEY**

7. The elderly person's securities account is linked to the elderly person's financial account, and this financial account is maintained at a credit union.
8. Earlier this year, Respondent Chamley was added as a co-account holder of the elderly person's financial account.
9. Beginning on or about March 12, 2018, and continuing until July 17, 2018, \$27,853.00 was transferred from the elderly person's securities account to the financial account via 16 fund transfers.
10. Unbeknownst to the elderly person, Respondent Chamley withdrew the \$27,853.00 transferred from the elderly person's securities account to the financial account.
11. As of July 25, 2018, only around \$30.00 remains in the financial account.

**THE REPORT OF SUSPECTED FINANCIAL EXPLOITATION
AND THE HOLD ON TRANSACTIONS INVOLVING RESPONDENT CHAMLEY**

12. On July 25, 2018, the dealer filed a report with the Securities Commissioner detailing the suspected financial exploitation of the elderly person pursuant to Section 45.C of the Securities Act. The dealer also temporarily blocked online trading in the securities account and the withdrawal of funds from the securities account.
13. After receiving the report detailing the suspected financial exploitation of the elderly person, the Securities Commissioner directed the dealer to place a hold on any transactions from any account maintained by the elderly person that relate in any way to Respondent Chamley. The directive was issued pursuant to Section 45.G(2) of the Securities Act.
14. The hold on transactions relating to Respondent Chamley is temporary and will terminate upon the expiration of the period specified in Section 45.I of the Securities Act.

**RESPONDENT CHAMLEY AND HIS REPRESENTATION THAT HE WILL NOT
VOLUNTARILY STOP ACTING AS AN UNREGISTERED INVESTMENT ADVISER**

15. On July 31, 2018, the Enforcement Division informed Respondent Chamley that he was acting as an unregistered investment adviser.

16. The Enforcement Division also informed Respondent Chamley that acting as an unregistered investment adviser is a felony offense.
17. The Enforcement Division directed Respondent Chamley to immediately cease acting as an unregistered investment adviser.
18. Nevertheless, Respondent Chamley plans to continue acting as an unregistered investment adviser by trading securities in the elderly person's securities account for compensation.

CONCLUSIONS OF LAW

1. Respondent Chamley, by trading in the securities account and promising to split profits with the elderly person, is acting as an investment adviser as that term is defined in Section 4.N.
2. Respondent Chamley is engaging or is about to engage in violations of Section 12 of the Securities Act by rendering services as an investment adviser in Texas without being registered as an investment adviser.
3. Respondent Chamley's conduct, acts, and practices threaten immediate and irreparable public harm.
4. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that Respondent Chamley immediately CEASE AND DESIST from rendering services as an investment adviser in Texas until he is registered as an investment adviser or is exempt from registration under the Securities Act.

NOTICE

Pursuant to Section 23-2 of the Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 6th day of August, 2018.



TRAVIS J. ILES
Securities Commissioner