

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of)	
)	
1 st Global Capital Corporation,)	FINDINGS OF FACT
8150 North Central Expressway)	CONCLUSIONS OF LAW
Suite 500)	AND
Dallas, Texas)	CONSENT ORDER
)	
RESPONDENTS.)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director (“Director”), pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1124 (Reissue 1997, Cum. Supp. 2006) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 1997), the DEPARTMENT has investigated the acts of 1st Global Capital Corporation (“1st GLOBAL”), 8150 North Central Expressway, Suite 500, Dallas, Texas. As a result of such investigation, and being fully advised and informed in the matter, the Director and 1st GLOBAL enter into the following Findings of Fact, Conclusions of Law and Consent Order (“Order”).

FINDINGS OF FACT

1. 1st GLOBAL is a corporation organized under the laws of the state of Delaware with its principal place of business at 8150 North Central Expressway, Suite 500, Dallas, Texas. At all times relevant to this Order, 1st GLOBAL has been registered as a broker-dealer approved to effect securities transactions in Nebraska pursuant to Neb. Rev. Stat. § 8-1103 (Cum. Supp.2006).
2. At all times relevant to this Order, Jeffrey S. Anderson (“Anderson”) was registered in Nebraska as an agent for 1st GLOBAL. Anderson’s office is located at 2215 West

12th Street, P.O. Box 2026, Hastings, Nebraska, and is a registered branch office for 1st GLOBAL.

3. At the time of the subject acts, Anderson was also registered as an investment adviser representative for, and was a director owner of, Contryman Associates, P.C. (“Contryman”), and as an investment adviser representative of Wealth Advisors Network, Inc., doing business as Contryman Wealth Advisor (“WAN”). WAN is a wholly-owned subsidiary of Contryman.

4. Prior to September, 2005, both Contryman and WAN were registered in Nebraska to transact business as investment advisers. Both Contryman and WAN have offices at the same location in Hastings, Nebraska. At all times relevant to this Order, neither WAN nor Contryman were registered as broker-dealers or were affiliated with 1st GLOBAL.

5. Prior to September 2005, several other investment adviser representatives of WAN were also registered as agents of 1st GLOBAL. Prior to September 2005, Anderson received between 50% and 100% of commissions generated by WAN representatives on transactions effected through 1st GLOBAL. WAN, Anderson and the WAN representatives entered into an Administrative Services and Facilities Agreement whereby WAN provided various services, including clerical support and facilities for activities attributable to the securities business of 1st GLOBAL. Upon receipt of the commissions, Anderson deposited the commissions into his personal checking account and then paid 95% of the commissions to WAN.

6. 1st GLOBAL understood and believed that the commissions paid to Anderson by the WAN representatives, which were then paid by Anderson to WAN, were intended to

reimburse WAN for WAN's office expenses and overhead attributable to the securities business of 1st GLOBAL effected by Anderson and the WAN representatives.

7. WAN used the payments from Anderson to pay a portion of its operational expenses and then periodically WAN, as a wholly owned subsidiary of Contryman, paid its net cash flow after its direct operating expenses to Contryman, under an intercompany loan and/or as an intercompany dividend. In a report following a routine examination in 2005, the Department cited the payments made by Anderson to WAN under the Administrative Services and Facilities Agreement as a violation of the Act.

8. Anderson and WAN subsequently revised the Administrative Services and Facilities Agreement, and such Agreement was submitted to the Department for review. The Department did not object to the revised Agreement.

CONCLUSIONS OF LAW

1. The DEPARTMENT has jurisdiction over this matter pursuant to the Act.

2. Neb. Rev. Stat. § 8-1103(9)(a)(ii), (vii), and (xii) (Cum. Supp. 2006) provides, in part, that the Director may by order deny, suspend, or revoke the registration of any registrant, or bar, censure, or impose a fine pursuant to Neb. Rev. Stat. § 8-1108.01(4), on a registrant if the Director finds that (a) the order is in the public interest and (b) the registrant is a broker-dealer and failed to adequately supervise its agents or employees to assure compliance with the Act.

3. The facts contained in Findings of Fact Nos. 5 through 7 constitute a failure by 1st GLOBAL to adequately supervise its agent, Anderson, with respect to payments by Anderson of transactional-based compensation directly to persons who were not registered as-broker-dealers or as agents of a broker-dealer, specifically WAN and Contryman, contrary to rules of the

Financial Industry Regulatory Association, Inc (“FINRA”), formerly the National Association of Securities Dealers, Inc., and 48 NAC 12.003.36

4. Under the Act’s statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

5. It is in the best interest of 1st GLOBAL, and it is in the public’s best interest, for 1st GLOBAL and the Director to resolve the issues included herein.

CONSENT ORDER

NOW THEREFORE, the parties to this Order agree as follows:

Stipulations: In connection with this Order, 1st GLOBAL and the Director stipulate to the following:

a. The DEPARTMENT has jurisdiction as to all matters herein.

b. An Order should be entered in this matter, which shall be in lieu of other proceedings by the DEPARTMENT, except as specifically referenced in this Order.

1st GLOBAL further represents as follows:

1. 1st Global does not believe that the payments to WAN pursuant to the Administrative Services and Facilities Agreement violated the Act, rules promulgated under the Act, or the rules of FINRA

2. 1st GLOBAL is aware of its right to a hearing on this Order at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing and any related appeal on all matters covered by this Order, is irrevocably waived.

3. 1st GLOBAL is acting free from any duress or coercion of any kind or nature.

4. This Consent Order is executed to avoid further proceedings. 1st GLOBAL neither admits nor denies that the facts recited herein constitute a violation of Act.

IT IS THEREFORE ORDERED

1. That 1st GLOBAL shall take whatever action is necessary to ensure compliance with all provisions of the Act in the future. If, at any time, the DEPARTMENT determines that 1st GLOBAL has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

2. That 1st Global Capital Corporation shall pay the amount of ten thousand dollars (\$10,000.00) as an administrative assessment in this matter. Such payment shall be made by a check or money order payable to the Nebraska Department of Banking and Finance within thirty (30) days from the effective date of this Order.


3. This Order is not intended by the Director, and shall not be deemed, to subject 1st Global or any of its officers, directors, affiliates, current or former employees or other persons who otherwise might be subject to disqualification as a result of this Order, to any disqualification under the laws of any state, the District of Columbia or any United States commonwealth or territory (“Jurisdiction”), or the rules of any self-regulatory organization (“SRO”), including without limitation any disqualification from being registered with any jurisdiction or being a member or associated person of a member of any SRO, or from relying upon any jurisdiction’s securities registration exemptions, safe harbor or similar provisions.

In the event that 1st GLOBAL fails to comply with and of the provisions of this Order, the DEPARTMENT may commence such action as it deems necessary and appropriate in the public interest.

The effective date of this Order will be the date of the Director’s signature.

DATED this 17th day of APRIL, 2008.

1ST GLOBAL CAPITAL CORPORATION


By: 
Printed Name: STEPHEN A. BATMAN
Title: PRESIDENT AND CEO

8150 North Central Expressway
Suite 500
Dallas, TX 75206
(214) 265-1201

DATED this 18th day of April, 2008.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**



By: 
John Munn, Director
1230 O Street, Suite 400
Commerce Court
Lincoln, Nebraska 68508
(402) 471-2171