

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSION OF SOUTH CAROLINA**

IN THE MATTER OF:
J.J.B. Hilliard, W.L. Lyons, LLC,
Respondent.

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CONSENT ORDER
Matter No. 20172047

The Commission hereby orders that the Securities Division of the Office of the

Excessive Trading in Certain Customer Accounts

5. Beginning in late 2014 and continuing into the fall of 2015 (the "Relevant

Period") Watson began to engage in excessive trading in certain of his customers' accounts

Subsequent Events

13. In the Fall of 2015, one customer ("Customer 1") filed an arbitration claim against Hilliard Lyons alleging excessive trading and unsuitable recommendations by Watson. Hilliard Lyons settled this claim in June 2016 without admitting liability.

14. Following Customer 1's arbitration filing, the Financial Industry Regulatory Authority ("FINRA") began an investigation into Watson and his securities-related activities.

15. On October 12, 2016, Watson resigned from Hilliard Lyons and terminated his registrations with the Division.

16. On January 17, 2017, FINRA barred Watson from associating with any FINRA

17. On December 14, 2017, the Division issued an order barring Watson from the securities industry in South Carolina. This order became final on January 13, 2018.

Hilliard Lyons' Cooperation

18. Hilliard Lyons cooperated with the Division's investigation.

19. Beginning in February, 2017, Hilliard Lyons made substantive changes to its supervisory system, transferring primary responsibility for trade review away from branch office managers and to a central supervision unit.

20. Following discussions with the Division, Hilliard Lyons issued a letter of education to the Managers related to the detection and prevention of excessive trading and the

22 The Respondent's failure to reasonably advise its agent was a violation of the Act

and the basis for the fine was both held pursuant to S.C. Code Ann. § 35-1-412(a)(2)(B)

1-4-2008

At the time of the Respondent's violation, the Respondent was a

§ 35-1-412(a)(2)(B)

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Date: 8/10/18

Elizabeth Kaplan

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