

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:	*	CASE NO. 2007-0133
FREEMAN OWEN	*	
and	*	
FINANCIAL SOURCES, INC.	*	
Respondents.	*	

* * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Attorney General (the "Division") initiated an investigation into the activities of Freeman Owen and his company, Financial Sources, Inc. ("FSI") (collectively, "Respondents"); and

WHEREAS, the Maryland Securities Commissioner (the "Securities Commissioner") has found that grounds exist to allege that Respondents violated the Maryland Securities Act, contained at Md. Code Ann., Corps. and Ass'ns, §§11-101 *et seq.* (2007 Repl. Vol.) (the "Securities Act"), by engaging in acts or practices constituting violations of the Securities Act, and that Respondents violated a Consent Order issued against them by the Securities Commissioner on April 5, 2005 (the "April 2005 Consent Order"); and

WHEREAS, before the holding of a hearing, without trial or final adjudication of any issue of fact or law, and prior to the issuance of a final order in this proceeding, the Securities

Commissioner and Respondents have reached an agreement whereby Respondents, without admitting or denying the Statement of Facts and Findings of Fact and Conclusions of Law contained herein, consent to the terms of this Order:

I.

JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 11-701 of the Securities Act.

II.

RESPONDENTS

Respondent Owen

2. Respondent Owen is a Maryland resident.

3. From March 31, 1995 to December 31, 1998 and from September 6, 2000 to April 21, 2003, Respondent Owen was registered in Maryland as a broker-dealer agent affiliated with United Securities Alliance, Inc. (“USA”). During those same periods of time, Owen was registered as an investment representative with the National Association of Securities Dealers, Inc. (“NASD”) as a broker-dealer agent affiliated with USA.

4. Before March 1995, Respondent Owen was registered as a broker-dealer agent in Maryland, associated with Sentra Securities Corporation and PFS Investments, Inc. Owen also was registered with the NASD as an investment representative for those companies.

5. Respondent has never been registered in Maryland as an investment adviser or

investment adviser representative.

Respondent Financial Sources, Inc.

6. Respondent FSI is a Maryland stock corporation that was formed on or around September 8, 2000.

7. Respondent FSI is not now nor has it ever been registered in Maryland as a broker-dealer or investment adviser.

III.

STATEMENT OF FACTS

8. On June 29, 2004, the Maryland Division of Securities issued a Summary Order To Cease And Desist against Respondents in connection with Respondents' offer and sale of certain "Universal Lease Program" investments issued by Yucatan Resorts, S.A., Corporativo Nolo, S.A. and Resort Holdings International, S.A. (the "Summary Order").

9. The Summary Order included at Count III a recitation of the definition of an "investment adviser" to mean "a person who engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities."

10. The Summary Order at Count III also referred to the definition of an "investment adviser" as "a person who provides or offers to provide, directly or indirectly, financial advice and investment counseling or advice, on a group or individual basis; gathers information relating to investments, establishes financial goals and objectives, processes and analyzes the information

gathered, and recommends a financial plan; or holds himself out as an investment adviser in any way, including indicating by advertisement, card or letterhead, or in any other manner that he is, a financial or investment “planner”, “counselor”, “consultant”, or any other similar type of adviser or consultant.”

11. On April 5, 2005, the Maryland Securities Commissioner issued the April 2005 Consent Order against Respondents, resolving the claims alleged in the Summary Order.

12. By the terms of the April 2005 Consent Order, Respondents agreed to “cease and desist from engaging in activities in violation of the Securities Act” and to “in all future activities in Maryland comply with the Securities Act.”

13. By the terms of the April 2005 Consent Order, Respondents further agreed to be “permanently barred from the securities and investment advisory business in Maryland.”

14. From February 2005 until notified by the Securities Division in early 2007 of concerns, Respondents have been holding out as investment advisers in Maryland by using the designation “Certified Retirement Financial Advisor” (“CRFA”).

15. Respondents began using the CRFA designation after paying a fee and after Respondent Owen passed a test given after a four-day course sponsored by the Society of Certified Retirement Financial Advisors, a for-profit organization based in California. In order to maintain the designation, Respondent Owen was required annually to pay a fee and to take approximately 20 hours of continuing education.

16. Since February 2005 until around March 2007, Respondents have used the CRFA designation in marketing materials sent to clients, particular older clients contemplating retirement. According to Respondents, their sales activities have been limited to the offer and sale of insurance

products for which Respondents are licensed in Maryland.

IV.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

17. In connection with the facts described in the Statement Of Facts contained herein, Respondents violated §11-401 of the Maryland Securities Act, and the April 2005 Consent Order, in connection with holding out as an investment adviser including by use of the designation “Certified Retirement Financial Advisor.”

V.

CONSENT TO CEASE AND DESIST AND OTHER RELIEF

18. NOW, THEREFORE, IT IS HEREBY **ORDERED**, and Respondents expressly consent and agree that:

a. Respondents are assessed a \$25,000 fine, which shall be paid contemporaneous with the issuance of this Order by way of a cashier’s check made payable to “Office of the Attorney General.”

b. Respondents shall cease and desist from engaging in activities in violation of the Securities Act and the April 2005 Consent Order.

c. Respondents shall in all future activities in Maryland comply with the Securities Act.

VI.

OTHER PROVISION

19. Respondents agree not to take any action, make or permit to be made any

statement denying, directly or indirectly, any allegation in the Summary Order or other activities upon which this Order is based, as referred to herein. Respondents further agree not to take any action or make any statement which creates or tends to create the impression that this Consent Order is without factual basis. While Respondents are not required to admit any allegation in the Summary Order or other activities upon which this Order is based, nothing in this provision affects Respondents' testimonial obligations. Nor does this provision affect Respondents' right to take positions in litigation to which the Division or the Securities Commissioner is not a party.

VII.

SCOPE OF SETTLEMENT

20. This Consent Order relates only to the Securities Commissioner and Respondents. This Consent Order does not waive or relinquish the Securities Commissioner's right to take any action against any other persons not named herein. Nor does this Consent Order prevent the Securities Commissioner from bringing any action against Respondents relating to any acts or omissions not specifically raised in this Consent Order.

VIII.

JURISDICTION RETAINED

21. Jurisdiction shall be retained by the Securities Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

22. If Respondents fail to comply with any term of this Consent Order, the Securities

Commissioner may institute administrative or judicial proceedings against Respondents to seek to enforce this Consent Order, to sanction Respondents for violating an Order of the Securities Commissioner or for making a misrepresentation of material fact upon which this Order was based, and may take any other action authorized under the Securities Act or under any other applicable law, including the issuance of fines or penalties as provided by the Securities Act. In any such proceeding in which, after an opportunity for a hearing, the Securities Commissioner or the court finds that Respondents have violated this Consent Order or made any material misrepresentations in their dealings with the Division, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Statement of Facts and violations of the Securities Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against Respondents.

23. In the event that judicial intervention in this matter is sought by the Securities Commissioner or Respondents, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to §11-702 of the Securities Act. Respondents agree that that Court will have personal jurisdiction over Respondents, and that venue will be properly in that Court.

24. The terms of this Consent Order may only be vacated or modified by a subsequent order issued by the Securities Commissioner.

DATE OF THIS ORDER:

December 14, 2007

SO ORDERED:

**ORIGINAL SIGNATURE
ON FILE**
Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

_____, 2007

Freeman Owen, Individually and on behalf of
Financial Sources, Inc.

_____ On this _____ day of _____, 2007, personally appeared Freeman Owen,
signer of the foregoing Consent Order, who did duly acknowledge his signature to be his free act and
deed.

Notary Public
My Commission Expires: _____
Seal:

_____, 2007
David L. Snyder, Esquire
Attorney for Respondents Freeman Owen
and Financial Sources, Inc.