

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

IN THE MATTER OF: *
RANDY H. PACKETT * Case No. 2012-0292
and *
CHESAPEAKE FINANCIAL *
SOLUTIONS, LLC *
Respondents.

* * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Attorney General (the "Securities Division") initiated an investigation into the activities of Randy H. Packett and his company, Chesapeake Financial Solutions (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. and 2011 Cum. Supp.) (the "Securities Act"), by engaging in acts or practices constituting violations of the Securities Act; and

WHEREAS, on July 24, 2012, the Securities Commissioner issued a Summary Order To Cease And Desist And Order To Show Cause as to Respondents (the "Summary Order"); and

WHEREAS, on September 10, 2012, Respondents answered the Summary Order denying the allegations that Respondents violated the Securities Act and requested a hearing; 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 Randy H. Packett

2. Respondent Packett is a Maryland resident with a last known address in Harford County, Maryland. He is the CEO of Respondent CFSI.

3. Respondent Packett is not now registered in Maryland or with any other securities regulator as a broker-dealer or broker-dealer agent, or investment adviser or investment adviser representative. Respondent Packett is not now nor has he ever been registered in Maryland or with any other securities regulator as an investment adviser or investment adviser representative.

4. From March 2000 to December 2000, Respondent Packett was registered in Maryland as a broker-dealer agent, affiliated with TransAmerica Financial Advisors, Inc. (“TransAmerica”). During that same period of time, Respondent Packett was registered with FINRA as an investment

representative, general securities representative, and direct participation programs representative associated with TransAmerica. Central Registration Depository records reflect that TransAmerica reported on Respondent Packett's Form U5 that he was discharged for lack of production.

5. From June 18, 1999 to February 16, 2000, Respondent Packett was registered in Maryland as a broker-dealer agent, affiliated with Sunset Financial Services, Inc. ("SFS"). During that same period of time, Respondent Packett was registered with FINRA as an investment representative and direct participation programs representative associated with SFS.

6. From July 1, 1997 to July 5, 1999, Respondent Packett was registered in Maryland as a broker-dealer agent, affiliated with New England Securities ("NES"). During that same period of time, Respondent Packett was registered with FINRA as an investment representative and direct participation programs representative associated with NES.

7. From January 12, 1996 to July 5, 1999, Respondent Packett was registered in Maryland as a broker-dealer agent, affiliated with NYLife Securities LLC ("NYLife"). During that same period of time, Respondent Packett was registered with FINRA as an investment representative and direct participation programs representative associated with NYLife.

8. From September 25, 1985 to July 5, 1999, Respondent Packett was registered in Maryland as a broker-dealer agent affiliated with Pruco Securities Corporation ("Pruco"). Respondent Packett was registered with FINRA as an investment representative (from May 16, 1985 to July 8, 1993) and investment company/variable contracts principal (from February 28, 1992 to July 8, 1993), associated with Pruco.

Respondent Chesapeake Financial Solutions, Inc.

9. Respondent CFSI is a Maryland corporation with an office located in Harford County,

Maryland. Maryland State Department of Assessments and Taxation (“SDAT”) records reflect that the firm was chartered in Maryland in April 2006, and that the firm’s resident agent is Respondent Packett.

10. Respondent CFSI was formerly known as Chesapeake Senior Solutions, Inc. The change of name to “Chesapeake Financial Solutions, Inc.” was filed with the SDAT on February 23, 2010. According to CFSI’s website, the firm provides retirement planning, wealth management and tax planning services.

III.

STATEMENT OF FACTS

11. Respondents operate a website located at www.cfsiadvisors.com. On information and belief, that website became operational in September 2010. The administrative and technical contact for that website is listed at www.godaddy.com as Respondent Packett.

12. On July 24, 2012, the Securities Commissioner issued a Summary Order To Cease And Desist/Order To Show Cause (the “Summary Order”) as to Respondents, alleging violation of Sections 11-302 and 11-401 of the Securities Act in connection with holding out and acting as investment advisers.

13. Prior to the time that the Summary Order was issued, CFSI’s website advertised that, “With CFS, you will learn how to invest your money with very competitive yields while protecting your principal.” CFSI further advertised an emphasis on financial planning for retirees and/or senior citizens, including wealth preservation, asset protection, and long term care, tax reduction, mortgage and estate planning services.

14. The CFSI website identified Respondent Packett as a “Registered Financial Consultant [who] specializes in serving the financial interest of mature senior investors. Randy has given over 1,400 retirement seminars for mature senior investors to protect their financial assets and standard of living”

15. The CFSI website advertised that the firm’s clients would be provided with regular reviews of their “financial plans, accounts, investments, insurance policies and applicable legal and tax documents,” and that recommendations would be “thoroughly investigated in advance.” The firm also promised that clients would receive accurate and timely account statements.

16. The CFSI website advertised that clients could “[t]rust that your financial advisor is knowledgeable, registered, and up-to-speed with important developments that have the potential to impact you,” and that clients will be “fully informed about all strategic decisions regarding . . . accounts before any change is made.”

17. The CFSI website advertised that it “hosts seminars monthly for prospective clients.” In June 2012 CFSI-hosted seminars were held at various dining establishments in Bel Air Maryland. Direct mail advertisements were sent to members of the public. Information regarding Respondent Packett’s purported status as a “Registered Financial Consultant” was included.

18. The June 2012 seminar announcements were entitled, “How to Rebuild Your Finances After a Bear Market.” The announcements stated that attendees “will learn how to: . . . protect [themselves] . . . from future market corrections earn higher interest rates and stop paying yearly taxes on CD earnings to safe guard [sic] your money for your future.”

19. In 2008, the Securities Division obtained information that Respondent and his company, then known as Chesapeake Senior Solutions, Inc., were holding out as investment

advisers. The Securities Division inquired with Respondent Packett, who advised the Securities Division that he was not engaged in activities requiring registration as an investment adviser in Maryland.

20. Respondent Packett also advised that he would be pursuing taking the Series 65 exam, planned to file paperwork for registration as an investment adviser, and only after registration did he intend to do fee-based investment advisory business in Maryland.

21. Through the representations made on Respondent CFSI's website and in marketing materials, Respondents held out as investment advisers under the Securities Act. During that time period, Respondents were not registered as investment advisers.

22. Immediately after the Summary Order was issued, Respondents modified their website and advertising materials to delete references to holding out as an investment adviser. Respondent Packett also passed the Series 65 exam on August 3, 2012, and submitted an application for registration as an investment adviser to the Securities Division.

IV.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

23. In connection with the facts described in the Statement Of Facts, incorporated herein by reference, Respondents violated the Maryland Securities Act by holding out as an investment adviser in violation of Section 11-401. Furthermore, in connection with those same facts, Respondents violated the Maryland Securities Act, Section 11-302, and Code of Maryland Regulations 02.02.05.03B, by failing to provide required disclosures to investment advisory clients.

V.

**CONSENT TO CEASE AND DESIST
AND OTHER RELIEF**

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

a. Respondents are assessed a fine of \$10,000, which fine shall be paid contemporaneous with the issuance of this Consent Order by check payable to “Office of the Attorney General.”

b. Respondents shall cease and desist from further violation of Sections 11-302 and 11-401 of the Securities Act.

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

VI.

JURISDICTION RETAINED

25. 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 the Consent Order.

26. 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, 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, the Securities Division also may 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.

27. 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 Section 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.

28. 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:

January 4, 2013

SO ORDERED:

**Commissioner's Signature is
on File with Original Document**

Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

_____, 2012

Randy H. Packett, individually and on behalf
of Chesapeake Financial Solutions, LLC

On this _____ day of _____, 2012, personally appeared Randy H. Packett, individually and on behalf of Chesapeake Financial Solutions, LLC, 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: