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**COMMISSIONERS**  
DOUG LITTLE - Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN



SECURITIES DIVISION  
1300 West Washington, Third Floor  
Phoenix, AZ 85007  
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E-MAIL: securitiesdiv@azcc.gov

JODI JERICH  
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

MEMORANDUM

**TO:** Doug Little - Chairman  
Bob Stump  
Bob Burns  
Tom Forese  
Andy Tobin

Arizona Corporation Commission

DOCKETED

MAY 31 2016

DOCKETED BY

**FROM:** Matthew J. Neubert   
Director of Securities

**DATE:** May 31, 2016

**RE:** Proposed Order of Revocation and Consent to Same by Paul A. Steffany (CRD# 1082262), Docket No. S-20960A-16-0111

**CC:** Jodi Jerich, Executive Director

RECEIVED  
2016 MAY 31 A 8:11  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Please find attached a proposed Order of Revocation and Consent to Same ("Consent Order") by Paul A. Steffany (CRD# 1082262).

Mr. Steffany has been registered with the Arizona Corporation Commission as a securities salesman since 1988. In 2014, FINRA began to investigate Mr. Steffany's performance of his duties as trustee of a client's trust. FINRA's investigation resulted in a Letter of Acceptance, Waiver, and Consent ("FINRA Consent") identifying improprieties with respect to Mr. Steffany's self-compensation as trustee. The FINRA Consent provides that Mr. Steffany is permanently barred from association with FINRA members in any capacity. Under A.R.S. § 44-1962, Mr. Steffany's bar from FINRA is grounds for revocation of Mr. Steffany's registration with the Corporation Commission as a securities salesman.

The proposed Consent Order permanently revokes Mr. Steffany's registration with the Corporation Commission as a securities salesman. The Securities Division believes the proposed Consent Order is appropriate to protect the public welfare.

Originator: Chris Nichols

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 DOUG LITTLE - Chairman  
4 BOB STUMP  
5 BOB BURNS  
6 TOM FORESE  
7 ANDY TOBIN

8 In the matter of ) DOCKET NO. S-20960A-16-0111  
9 )  
10 PAUL A. STEFFANY (CRD #1082262), ) DECISION NO. \_\_\_\_\_  
11 )  
12 Respondent. ) **ORDER OF REVOCATION AND CONSENT**  
13 ) **TO SAME**  
14 ) **BY: PAUL A. STEFFANY**

15 Respondent Paul A. Steffany ("Respondent") elects to permanently waive any right to a  
16 hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et*  
17 *seq.* ("Securities Act") with respect to this Order of Revocation ("Order"). Respondent admits the  
18 jurisdiction of the Arizona Corporation Commission ("Commission"); admits the Findings of Fact  
19 and Conclusions of Law contained in this Order; and consents to the entry of this Order by the  
20 Commission.

21 **I.**

22 **FINDINGS OF FACT**

23 1. From on or about June 8, 2007 through May 23, 2014, Respondent was a registered  
24 representative with the Financial Industry Regulatory Authority<sup>1</sup> ("FINRA"), and a registered  
25 securities salesman with the Commission in association with broker-dealer Raymond James &  
26 Associates, Inc. ("Raymond James") (CRD# 705).

2. On or about May 23, 2014, Raymond James terminated Respondent's association with  
Raymond James for cause.

<sup>1</sup> FINRA is a non-governmental self-regulatory organization (SRO) authorized as a national securities association of  
broker-dealers under Section 15A of the Securities Act of 1934.

1           3.       Raymond James' Uniform Termination Notice For Securities Industry Registration,  
2 Form U5 ("Form U5") filed on or about June 20, 2014, which terminated Respondent's registration with  
3 FINRA and the Commission, states that Respondent violated company policy including improper  
4 endorsements on checks.

5           4.       Following his termination from Raymond James, from on or about July 11, 2014 through  
6 on or about October 13, 2015, Respondent once again became a registered representative with FINRA  
7 and a registered securities salesman with the Commission in association with broker-dealer Moors &  
8 Cabot, Inc. (CRD# 594).

9           5.       Respondent's association with Moors & Cabot and his registrations with FINRA and the  
10 Commission terminated on or about October 13, 2015. Moors & Cabot's Form U5 filing states that  
11 Respondent's termination from Moors & Cabot was voluntary.

12           6.       Respondent is not currently registered with FINRA or the Commission.

13           7.       In connection with Respondent's for-cause termination from Raymond James, FINRA  
14 conducted an investigation into Respondent's conduct as reported by Raymond James' Form U5  
15 filing. As a result of that investigation and prior to FINRA filing a formal complaint commencing a  
16 proceeding against Respondent, Respondent entered into a FINRA Letter of Acceptance, Waiver,  
17 and Consent ("AWC") which was accepted by FINRA on October 8, 2015, in settlement of the  
18 alleged rule violations.

19           8.       Under the AWC, Respondent agreed to a permanent bar from association with any  
20 FINRA member in any capacity. The bar became effective October 8, 2015. As Respondent was still  
21 registered at the time the AWC became effective, the permanent bar effectively revoked  
22 Respondent's registration.

23           9.       The AWC states that from January 2007 through April 2014, Respondent violated  
24 NASD<sup>2</sup> and FINRA rules by converting at least \$112,742 from an estate testamentary trust for which  
25

26 <sup>2</sup> In July 2007 the National Association of Securities Dealers ("NASD") consolidated with the member regulation, enforcement and arbitration operations of the New York Stock Exchange ("NYSE") to form FINRA.

1 he served as trustee and by forging the signature of a co-executor on at least twelve checks made  
2 payable to the estate, using certain of those funds for his personal use.

3 **II.**

4 **CONCLUSIONS OF LAW**

5 1. The Commission has jurisdiction over this matter pursuant to Article XV of the  
6 Arizona Constitution and the Securities Act.

7 2. Notwithstanding that Respondent is not currently registered with the Commission, under  
8 A.R.S. § 44-1963 (D) respondent continues to be subject to the Commission's jurisdiction for two years  
9 after the termination of his registration for the purpose of denying, suspending or revoking his  
10 registration in connection with conduct that began before the termination of his registration.

11 3. FINRA's permanent revocation of Respondent's FINRA membership is grounds to  
12 revoke Respondent's registration as a securities salesman with the Commission pursuant to A.R.S. §  
13 44-1962.

14 4. Specifically, Respondent is subject to an order of an SRO which permanently revokes  
15 his membership or registration within the meaning of A.R.S. § 44-1962(A)(8).

16 **III.**

17 **ORDER**

18 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent's  
19 consent to the entry of this Order, attached and incorporated by reference, the Commission finds that  
20 the following relief is appropriate, in the public interest, and necessary for the protection of investors:

21 IT IS ORDERED, pursuant to A.R.S. § 44-1962, that Respondent's securities salesman  
22 registration is revoked.

23 IT IS FURTHER ORDERED that this Order shall become effective immediately.

24  
25  
26

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Shaylin A. Bernal, ADA Coordinator, voice phone number 602-542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).

CAN

**CONSENT TO ENTRY OF ORDER**

1  
2           1.       Respondent Paul A. Steffany (“Respondent”), an individual, admits the jurisdiction  
3 of the Commission over the subject matter of this proceeding. Respondent acknowledges that  
4 Respondent has been fully advised of Respondent’s right to a hearing to present evidence and call  
5 witnesses and Respondent knowingly and voluntarily waives any and all rights to a hearing before  
6 the Commission and all other rights otherwise available under Article 11 of the Securities Act and  
7 Title 14 of the Arizona Administrative Code. Respondent acknowledges that this Order of  
8 Revocation (“Order”) constitutes a valid final order of the Commission.

9           2.       Respondent knowingly and voluntarily waives any right under Article 12 of the  
10 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting  
11 from the entry of this Order.

12           3.       Respondent acknowledges and agrees that this Order is entered into freely and  
13 voluntarily and that no promise was made or coercion used to induce such entry.

14           4.       Respondent understands and acknowledges that Respondent has a right to seek  
15 counsel regarding this Order, and that Respondent has had the opportunity to seek counsel prior to  
16 signing this Order. Respondent acknowledges and agrees that, despite the foregoing, Respondent  
17 freely and voluntarily waives any and all right to consult or obtain counsel prior to signing this Order.

18           5.       Respondent admits the Findings of Fact and Conclusions of Law contained in this  
19 Order. Respondent agrees that Respondent shall not contest the validity of the Findings of Fact and  
20 Conclusions of Law contained in this Order in any present or future proceeding in which the  
21 Commission is a party.

22           6.       Respondent further agrees that he shall not deny or contest the Findings of Fact and  
23 Conclusions of Law contained in this Order in any present or future: (a) bankruptcy proceeding, or  
24 (b) non-criminal proceeding in which the Commission is a party (collectively, “proceeding(s)”). He  
25 further agrees that in any such proceedings, the Findings of Fact and Conclusions of Law contained  
26 in this Order may be taken as true and correct and that this Order shall collaterally estop him from

1 re-litigating with the Commission or any other state agency, in any forum, the accuracy of the  
2 Findings of Fact and Conclusions of Law contained in this Order.

3 7. By consenting to the entry of this Order, Respondent agrees not to take any action or  
4 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of  
5 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual  
6 basis.

7 8. While this Order settles this administrative matter between Respondent and the  
8 Commission, Respondent understands that this Order does not preclude the Commission from  
9 instituting other administrative or civil proceedings based on violations that are not addressed by this  
10 Order.

11 9. Respondent understands that this Order does not preclude the Commission from  
12 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
13 that may be related to the matters addressed by this Order.

14 10. Respondent understands that this Order does not preclude any other agency or officer  
15 of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal  
16 proceedings that may be related to matters addressed by this Order.

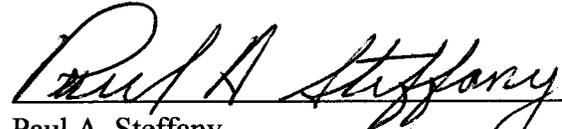
17 11. Respondent agrees that Respondent will not apply to the state of Arizona for  
18 registration as a securities dealer or salesman or for licensure as an investment adviser or investment  
19 adviser representative at any time in the future.

20 12. Respondent agrees that Respondent will not exercise any control over any entity that  
21 offers or sells securities or provides investment advisory services within or from Arizona at any time  
22 in the future.

23 13. Respondent consents to the entry of this Order and agrees to be fully bound by its  
24 terms and conditions.

25 14. Respondent acknowledges and understands that if Respondent fails to comply with  
26 the provisions of the order and this consent, the Commission may bring further legal proceedings

1 against Respondent, including application to the superior court for an order of contempt.

2  
3   
4 Paul A. Steffany

5 *Connecticut*  
STATE OF ARIZONA )  
6 ) ss *Shelton*  
County of *Fairfield* )

7  
8 SUBSCRIBED AND SWORN TO BEFORE me this 20<sup>th</sup> day of April, 2016.

9  
10   
NOTARY PUBLIC

11 My commission expires:

12 11/30/2018

1 SERVICE LIST FOR: PAUL A. STEFFANY (CRD #1082262)

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3 Paul A. Steffany  
4 15 Ashwood Terrace  
5 Stratford, CT 06614

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

DOUG LITTLE – Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

In the matter of:  
  
PAUL A. STEFFANY (CRD #1082262),  
  
Respondent.

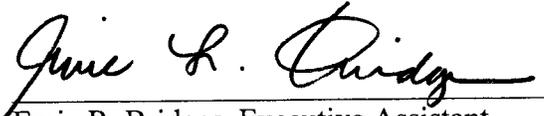
DOCKET NO. S-20960A-16-0111  
  
**NOTICE OF FILING OF PROPOSED  
OPEN MEETING AGENDA ITEM**

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached proposed Order of Revocation and Consent to Same was filed with the Arizona Corporation Commission's Docket Control.

Dated: May 31, 2016 By:   
Chris Nichols  
Enforcement Attorney

I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

Paul A. Steffany  
15 Ashwood Terrace  
Stratford, CT 06614  
Respondent

Dated: 5/31/16 By:   
Emie R. Bridges, Executive Assistant