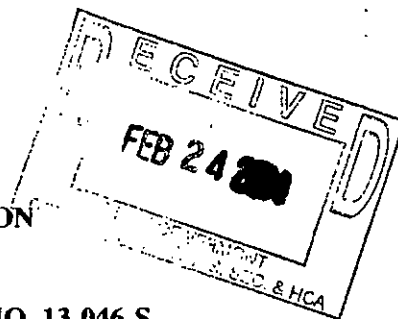


STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION
SECURITIES DIVISION



IN RE: GEORGE JONES LINCOLN IV)
)
)

DOCKET NO. 13-046-S

STIPULATION AND CONSENT ORDER

This Stipulation and Consent Order (the "Consent Order") is entered this ^{24th} day of February, 2014 by and among George Jones Lincoln, IV ("Lincoln"), CRD #2111517, and the State of Vermont Department of Financial Regulation (the "Department").

WHEREAS, the Commissioner of the Department (the "Commissioner") is responsible for administering and enforcing the Vermont Uniform Securities Act (2002) (the "Securities Act"), Title 9, Chapter 150 of the Vermont Statutes Annotated, pursuant to which the Department has conducted an investigation of the circumstances involving certain transactions and related matters during the period from and including February 2008 through April 2013;

WHEREAS, as a result of the Department's investigation, the Department has concluded that Lincoln violated the Securities Act and rules and regulations promulgated thereunder and has determined to impose administrative sanctions upon Lincoln to resolve the above captioned matter;

WHEREAS, the Department has accordingly sought, and Lincoln, by and through counsel, without the necessity of further formal proceedings, has agreed to take corrective and remedial measures as more specifically described herein; and

WHEREAS, Lincoln neither admits nor denies the Findings of Fact and Conclusions of Law contained in the Consent Order (except as to jurisdiction) and, by and through counsel, elects to permanently waive any right to a hearing and appeal under: the Vermont Administrative Procedure Act, 3 V.S.A. Chapter 25; the rules, regulations, and orders of the Commissioner; and any right he may have to judicial review by any court with respect to this Consent Order.

NOW THEREFORE, the Commissioner makes findings and conclusions as follows:

FINDINGS OF FACT

1. Lincoln is an agent and is registered with the Department as such, CRD #2111517.
2. From November 2005 through December 2013, Lincoln was employed by a Vermont registered broker-dealer, CCO Investment Services Corp. ("CCO"), CRD # 39550.
3. In 2011, the Department received a complaint regarding Lincoln's potential sales practices violations.
4. On July 3, 2012, the Department notified Lincoln that he was under formal investigation.

5. During his employment with CCO, Lincoln typically serviced between 900 and 1,400 client accounts.
6. As an agent, Lincoln was obligated to make and keep accurate books and records.
7. For each new client, Lincoln made and kept certain records ("Fact Finders"), in which he collected personal and financial information of his clients, including but not limited to factors such as their age, dependents, assets, investment objectives, and risk tolerance.
8. Despite the fact that Lincoln was under no obligation to make the Fact Finders, Lincoln made and kept these documents and used them as books and records.
9. The information included in the Fact Finders demonstrates Lincoln's actual knowledge of his clients' collected personal and financial information, including but not limited to factors such as their age, dependents, assets, investment objectives, and risk tolerance.
10. CCO did not require Lincoln to provide it with the Fact Finders, and Lincoln did not do so. Instead, Lincoln typically kept the Fact Finders in customer files housed in CCO's registered branch office.
11. In addition to the Fact Finders, Lincoln prepared records termed Client Profiles ("Client Profiles"), which contained information about the clients' financial conditions, dependents, risk tolerances, and investment objectives. CCO input information from the Client Profiles into its systems and used that information to supervise Lincoln and his clients' securities transactions.
12. When comparing the Fact Finders to the Client Profiles, Lincoln omitted or contradicted material information regarding clients in at least 12 instances, including but not limited to omissions that failed to indicate accurately the following aspects of clients: the number of dependents of the client, retirement status of the client, risk tolerance, net worth, property holdings, investment-time horizon, and investment knowledge of the client. Those inconsistencies tended to indicate that the client had a moderate or aggressive risk tolerance.
13. From approximately 2008 to 2012 ("Relevant Period"), Lincoln recommended and sold to certain of his clients, among other investments, mutual funds focused on certain sectors of the economy, including funds that invested in international public companies in the gold mining and natural resources industries ("Sector Funds"). Because the Sector Funds' holdings are concentrated in a single industry, there can be a lack of diversification associated with these types of investments.
14. As of April 2012, sector funds comprised approximately 0.3% of all CCO client assets.
15. As of April 2012, of all of CCO's agents, the agent with second-highest overall concentration of client assets in sector funds had less than 2% concentration.
16. Of all of CCO's agents, Lincoln had the highest concentration of client assets in sector funds as of April 2012.

CONSENT ORDER

NOW, THEREFORE, based on the Findings of Fact and Conclusions of Law, the Commissioner issues the following order, to be fully complied with following receipt by the Commissioner of the duly executed Consent to Entry of this Order:

1. The Department CENSURES Lincoln for the conduct as described in this Stipulation and Consent Order.
2. Lincoln shall CEASE AND DESIST from violating the Securities Act.
3. The Department SUSPENDS Lincoln from any and all registrations with the Department to conduct or participate in the business of securities for a term of ten (10) months effective beginning the date of execution of this Consent Order and subject to the remaining provisions of this Consent Order.
4. In order to obtain any registration as either an agent or an investment adviser representative, Lincoln must reapply to the Department after the completion of the foregoing suspension, and no earlier.
5. Upon reapplying for registration as either an agent or an investment adviser representative at the end of the suspension period, Lincoln and his employing firm shall each enter into a Registration Consent Order similar in nature to Attachment A.
6. Lincoln shall pay the amount of \$27,000 to the Department to reimburse the Department for its costs in this investigation.
7. Lincoln shall pay the amount of \$70,000 to the Department, to be apportioned as follows:
 - (i) Lincoln shall pay an administrative penalty in the amount of \$65,000:
 - (ii) Lincoln shall donate \$5,000 to the Vermont financial services education and training special fund, pursuant to 9 V.S.A. § 5601 (d) and (e).
8. All payments required hereunder shall be effected within fourteen (14) days of the date hereof.
9. This Consent Order documents the resolution of all matters arising from the Department's above-referenced investigation and will not be a basis for action against Lincoln by the Department, *in regards to the business of securities*, arising out of these same events except in determining any action or penalty that may be imposed by the Department for any future violations of law by Lincoln.
10. If Lincoln fails or neglects to comply with any of the terms, conditions or undertakings set forth in this Consent Order, the Department may, upon written notice to Lincoln, institute any legal or administrative proceedings it deems appropriate to enforce the Consent Order and to seek such other appropriate sanctions.

4. Under 9 V.S.A. § 5412(d)(13), and the rules and regulations promulgated thereunder, an agent is prohibited from conduct that violates the "high standards of commercial honor and just and equitable principles of trade in the conduct of their business," including the making and keeping of inaccurate and misleading books and records. See Order 06-43-S §6.1 Exh.6.1 § 1.03.

5. By the conduct set forth in the foregoing Findings of Fact, Lincoln violated 9 V.S.A. § 5412(d)(13) by making and keeping inaccurate and misleading books and records.

6. In consideration of these factors and others, the Commissioner considers mitigating circumstances, the most compelling of which are: (1) Lincoln's lack of a prior record of disciplinary action in Vermont and (2) Lincoln's overall cooperation with the State of Vermont.

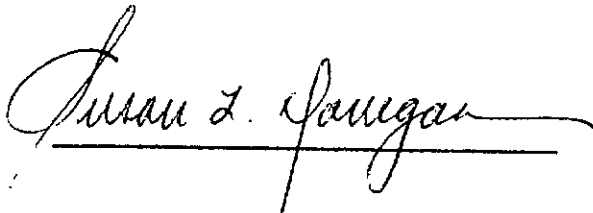
7. Pursuant to 9 V.S.A. § 5604(a), the Commissioner issues the following Consent Order.

This ORDER shall become effective immediately upon the date set forth below.

BY ORDER OF THE COMMISSIONER

Entered at Montpelier, Vermont, this 24th day of February, 2014.

SUSAN L. DONEGAN, Commissioner
Vermont Department of Financial Regulation

A handwritten signature in cursive script, reading "Susan L. Donegan", is written over a horizontal line.

CONSENT BY GEORGE JONES "RIP" LINCOLN IV
TO THE ENTRY OF AN ORDER BY THE COMMISSIONER
IMPOSING TERMS, CONDITIONS AND UNDERTAKINGS
UNDER THE VERMONT UNIFORM SECURITIES ACT

1. GEORGE JONES LINCOLN IV ("Respondent"), CRD #2111517, hereby admits the jurisdiction of the Commissioner (the "Commissioner") of the Department of Financial Regulation over the subject matter of this proceeding, and solely, with respect to this matter, knowingly and voluntarily waives any and all rights to a hearing before the Commissioner or her designee and all other procedures otherwise available under the Vermont Uniform Securities Act (2002), as amended ("Securities Act"), and any successor act, or the rules, regulations, and orders of the Commissioner. Respondent also waives compliance with the provisions of 3 V.S.A., Chapter 25 regarding contested cases. Respondent acknowledges that this Consent Order (the "Consent Order") constitutes a valid order duly rendered by the Commissioner.

2. Respondent voluntarily and knowingly waives any rights he may have to judicial review by any court by way of suit, appeal, or extraordinary remedy resulting from the issuance of the Consent Order.

3. Respondent acknowledges and agrees that the Consent Order is entered into freely and voluntarily and that no promise was made, nor was any coercion used, to induce the Respondent to enter into the Consent Order.

4. Respondent agrees that he shall not challenge the validity of the Findings of Fact and Conclusions of Law of this Consent Order in any present or future administrative proceedings before the Commissioner or any other branch of

government of the State concerning the denial or issuance of any license or registration required by the State in order to engage in the practice of any business or profession.

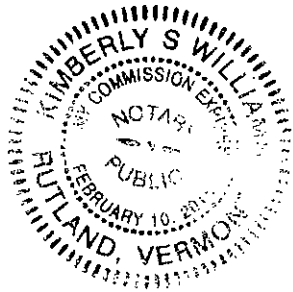
5. Respondent recognizes, accepts, and agrees that a condition of the Consent Order is that Respondent may not take any action, or make or permit any public statement, including any statement in regulatory filing or otherwise, that denies, directly or indirectly, any allegation in the Consent Order or creates the impression that the Consent Order is without factual basis. Nothing in this provision affects Respondent's (i) testimonial obligations in the context of compulsory testimony; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commissioner is not a party.

6. Respondent acknowledges his understanding of all terms, conditions, and obligations contained in the Consent Order and further acknowledges that should he fail to comply with any and all provisions of the Consent Order, the Commissioner may impose additional sanctions and seek other appropriate relief subject to the Respondent's rights to a hearing pursuant to the Securities Act and any successor act. Respondent neither admits nor denies the Findings of Fact or Conclusions of Law (except as to jurisdiction) contained in the Consent Order but consents to the issuance of this Consent Order and agrees to be fully bound by its terms and conditions as settlement of the issues contained in the Consent Order.

Dated this 20 day of September, 2014.

By: George J. Lincoln IV
George Jones Lincoln IV

BEFORE ME this 26th day of February, 2014,
personally appeared George Jones Lincoln IV who
acknowledged that (s)he, as being authorized so to do, executed the foregoing for the
purposes therein contained, and that such act of execution is his(her) free act and deed on
behalf of George Jones Lincoln IV.



Kimberly S. Williams
Notary Public

My Commission Expires:

February 10, 2015
