

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE

James L. Paris Financial Services, Inc.,
James L. Paris and Carmen G. Paris

NOTICE OF INTENT
TO IMPOSE A CIVIL PENALTY,
CENSURE AND ISSUE A
CEASE AND DESIST ORDER
AGAINST RESPONDENTS, OR TO
BAR JAMES L. PARIS
02-095

ALLEGATIONS

1. James L. Paris Financial Services, Inc., ("JLPFS") is an investment adviser incorporated and registered in Florida with a last known business address of 380 Semoran Commerce Place, Building B, Suite 209, Apopka, Florida 32703-4654. JLPFS was licensed as an investment adviser in Maine from June 16, 1992, to December 31, 2001.
2. James L. Paris ("James Paris")(CRD # 1722114), whose last known address is 913 Sea Duck Drive, Daytona Beach, Florida 32119, is an investment adviser representative of JLPFS and is, and has been at all relevant times, the sole owner and president of JLPFS.
3. Carmen G. Paris ("Carmen Paris") (CRD # 2671001), whose last known address is 149 Knights Hollow Drive, Apopka, Florida 32712, has been the vice-president of JLPFS since May 1998.
4. According to the records filed by JLPFS, James Paris and Carmen Paris have been "control persons" of JLPFS since 1991 and 1998 respectively.
5. In or about December 1995, a Maine resident ("the Warren investor") became an investment advisory client of JLPFS after listening to James Paris on a Christian radio station. The Warren investor invested approximately \$8,000 with James Paris and JLPFS at this time.
6. In or about March 1996, another Maine resident ("the Kittery investor"), who was at the time living in Rhode Island, also became an investment advisory client after listening to James Paris on a Christian radio station. The Kittery investor invested at least \$5,000 with James Paris and JLPFS at this time. In or about the summer of 1997, the Kittery investor moved from Rhode Island to Maine. In

or about February 1998, the Kittery investor invested at least \$30,000 of her IRA monies with James Paris and JLPFS.

7. James Paris and JLPFS solicited personal loans from the Warren investor and the Kittery investor (“the two Maine investors”) in order that James Paris could establish a new JLPFS office in Florida.
8. The original term of these loans was for two years at the end of which period the principal and accumulated interest of 17.9% per year, were to be repaid.
Particulars of the loans are as follows:
 - (a) the Warren investor loaned James Paris \$13,000, which was approximately 86% of his JLPFS portfolio, on or about June 9, 1997; and
 - (b) the Kittery investor loaned James Paris \$10,000 from her JLPFS portfolio on or about November 5, 1999.
9. James Paris and JLPFS later solicited and obtained an agreement from the two Maine investors to extend their loans with James Paris for an additional one year.
10. James Paris and JLPFS solicited these extensions at a time when JLPFS was losing substantial amounts of monies without disclosing this fact to the two Maine investors.
11. Although the extended periods for these loans have now elapsed, James Paris and JLPFS have failed to repay any monies to either Maine investor despite their demands for repayment.
12. As a condition of licensure pursuant to 32 M.R.S.A § 10313 (1)(G), investment advisers and investment adviser representatives may not engage in any unlawful, unethical or dishonest conduct or practice in the securities business.
13. James Paris and JLPFS have engaged in unlawful, unethical or dishonest conduct or practices in the securities business by:
 - soliciting loans from the two Maine investors;
 - soliciting extensions of those loans;
 - failing to repay any portion of those loans; and
 - making unsuitable investment recommendations to the two Maine investors.
14. Pursuant to 32 M.R.S.A. § 10602(3), in an administrative action brought by the Administrator for a violation of any provision of the Revised Maine Securities Act (“the Act”), every person who is an officer or director of, or who directly or indirectly controls, another person liable for a violation of the Act, is liable to the same extent as that other person.

15. James Paris and Carmen Paris, as control persons of JLPFS, are liable for the conduct of JLPFS and its employees.
16. Pursuant to 32 M.R.S.A. § 10313(1)(G), the Administrator may, after notice and opportunity for hearing, by order, censure or bar any applicant or licensee if the Administrator finds that the order is in the public interest and that the applicant or licensee has engaged in any unlawful, unethical or dishonest conduct or practice in the securities business.
17. Pursuant to 32 M.R.S.A. §10602(1)(E) and 10 M.R.S.A. § 8003(5), the Administrator may, after notice and opportunity for hearing, by order, impose a civil penalty that may not exceed \$1,500 for a single violation, if the Administrator reasonably believes that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act.
18. Pursuant to 32 M.R.S.A. § 10602, if the Administrator reasonably believes that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act, the Administrator may issue a cease and desist order if the Administrator determines that the public interest or the protection of investors so requires.
19. For the reasons stated above, the Administrator reasonably believes that James Paris and JLPFS have engaged, are engaging or are about to engage in acts or practices constituting violations of the Revised Maine Securities Act.

NOTICE

Pursuant to 32 M.R.S.A. §10708, notice is hereby given that the Administrator intends to issue an Order: (1) to censure Respondents; (2) to impose a civil penalty on each Respondent of at least \$6,000; (3) to require Respondents to cease and desist from further violations of the Revised Maine Securities Act; and/or (4) to bar James Paris from association with any issuer, licensed broker-dealer or investment adviser.

Pursuant to 32 M.R.S.A. § 10708(2), Respondents have thirty (30) calendar days from the entry of this Notice of Intent to file a written request for a hearing.

Date: August 4, 2003

Christine A. Bruenn
Christine A. Bruenn
Securities Administrator

Reviewed by:

Date: August 4, 2003

Bonnie E. Russell
Bonnie E. Russell
Assistant Securities Administrator

Date: August 4, 2003

Presented by:

Christian D. Van Dyck
Christian D. Van Dyck
Investigator