BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. XY 15 - CD – 06

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**STIPULATION FOR CONSENT CEASE AND DESIST ORDER CONCERNING JAMES E. BEATTIE**

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IN THE MATTER OF JAMES E. BEATTIE

Respondent

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The Staff of the Colorado Division of Securities ("Staff") and Respondent James E. Beattie ("Respondent") herby enter into this Stipulation for Consent Cease and Desist Order in this matter as follows:

1. Pursuant to the authority provided in §11-51-601, C.R.S., the Staff conducted an investigation into the Respondent's conduct concerning investment advisory services in Colorado. Based on its investigation, the Staff alleges as follows:

   a. From at least January 1984 to November 20, 2014, the Respondent acted as an investment advisory representative to Colorado clients as well as clients from other states.
   b. The Respondent charged fees for the investment advisory services.
   c. The fees were based on the performance of the client's account over a one-year period and were based on 20 percent of profits above a minimum profit level.
   d. In 2010, the Respondent had about 14 clients and charged between $153,383 and $1,228 in fees per account (two clients were not charged an investment advisory fee).
   e. The investment advisory services fees charged by the Respondent were not incidental to any other activity.
   f. The Respondent was never licensed by the State of Colorado or by the Securities and Exchange Commission to provide investment advisory services.
   g. The Respondent sent letters, carbon copying the Division, to all of his investment advisory clients notifying them that any investment adviser relationship the Respondent had with them was terminated.

2. The Respondent has cooperated with the Staff in the investigation of this matter.

The Staff and the Respondent desire to resolve this matter without further litigation and prior to the entry of a final order by the Securities Commissioner, herby stipulate and agree as follows:

3. The Securities Commissioner for the State of Colorado has jurisdiction over the Respondent and the subject matter of this action.

4. The Respondent agrees to the entry of a Consent Order in the form attached hereto as Exhibit A and incorporated herein by reference.

5. By entering into this Stipulation, the Respondent neither admits nor denies that the allegations and grounds set forth in this Stipulation are true.

6. By entering this stipulation, Respondent agrees that he will not engage in any activity that can be construed as providing investment advisory services.

7. Respondent affirmatively represents that he has provided each of his clients with written notice terminating any investment adviser relationship he has with them, including the termination of any limited powers of attorney, or any other authority Respondent might have over his clients' accounts.

8. By entering into this Stipulation, the Respondent understands that he has the right to notice and a formal hearing pursuant to §11-51-606(1) and (1.5), C.R.S., the right to be represented by counsel of his choice, the right to present a defense through oral or documentary evidence and to cross-examine witnesses and to findings required by §11-51-606(1.5), C.R.S., at such hearing. By entering into this Stipulation, the Respondent expressly waives the rights set forth in this Paragraph 6, and further waives the right to seek judicial review of the Cease and Desist Consent Order entered pursuant to this Stipulation.

9. The Respondent acknowledges that he has entered into this Stipulation voluntarily, after the opportunity to consult with counsel of his choice, and with the understanding of the legal consequences of this Stipulation and Consent Cease and Desist Order.

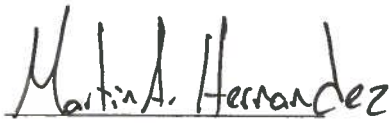
10. The Respondent hereby waives the findings required by § 11-51-606(1.5)(d)(IV), C.R.S.; and, pursuant to § 11-51-704(2), C.R.S., agree that the entry of this Consent Cease and Desist Order is necessary and appropriate in the public interest and is consistent with the purposes and provisions of the Act.

11. The Respondent further acknowledges that any violation of this Stipulation or Consent Order when issued may constitute grounds for further sanctions and formal proceedings against him for such violation.

JAMES E. BEATTIE

JAMES E. BEATTIE

Subscribed and sworn before me this 25th day of Nov., 2014 by James E. Beattie.



Notary Public

MARTIN A HERNANDEZ
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094001629
My Commission Expires January 18, 2017

THE STAFF OF THE DIVISION OF SECURITIES

By: _____
LILLIAN ALVES
Deputy Securities Commissioner

11/26/14
Date