

Chapman Securities, Inc. Michael D. Relihan Joseph D. Benter

Notice of Intent to Invoke Administrative Sanctions

DATE: October 4, 2001 RESPONDENTS: Chapman Securities, Inc. of Wichita, Kansas Michael D. Relihan of Wichita, Kansas, and Joseph D. Benter of Wichita, Kansas ORDER: Notice of Intent to Invoke Administrative Sanctions Under the Kansas Securities Act entered against the respondents in connection with the handling of a brokerage account for a living trust. The trustee and principal beneficiary of the trust was a 75 year old widow. The Notice of Intent alleges that Joseph Benter engaged in dishonest or unethical practices by (1) exercising discretionary power over the account without written authorization, (2) pursuing an unsuitable options trading strategy in the account, and (3) churning the account to generate commissions. In addition, the Notice of Intent alleges that respondent Benter defrauded the customer by concealing the unethical conduct through a change of address on the account. At the time of the unethical conduct, Benter worked for Chapman Securities, Inc., and he was supervised by the president of the firm, Michael Relihan. The Notice of Intent alleges that Chapman Securities and Relihan failed to reasonably supervise Benter.

Consent Order-- Joseph D. Benter

DATE: November 14, 2002 RESPONDENT: Joseph D. Benter of Wichita, Kansas ALLEGATIONS: The allegations from the Notice of Intent are incorporated by reference. Respondent Benter neither admits nor denies the allegations. ORDER: Respondent Benter is censured, suspended for six months, and ordered to pay a fine of \$10,000. In addition, respondent Benter's future activities are restricted in the following ways: he may not act in a supervisory capacity; he may not exercise discretionary authority over a customer account; he may not engage in options trading; his future business is restricted to the types of transactions and activities that are permissible for a person who has obtained only a Series 6 qualification from the NASD; and, he must be subject to special supervision by his affiliated broker-dealer.

Consent Order-- Chapman Securities, Inc. and Michael D. Relihan

DATE: January 31, 2003 RESPONDENTS: Chapman Securities, Inc. and Michael D. Relihan of Wichita, Kansas ALLEGATIONS: The allegations from the Notice of Intent are incorporated by reference. Respondents Chapman Securities, Inc. and Michael D. Relihan neither admit nor deny the allegations. ORDER: Respondent Chapman Securities, Inc. is ordered to pay a fine of \$12,000. Respondent Relihan is censured.

Notice of Intent to Suspend Registration as a Broker-Dealer- - Chapman Securities, Inc.

DATE: July 26, 2004, RESPONDENT: Chapman Securities, Inc. ALLEGATIONS: Respondent failed to comply with staff's request for information, in violation of K.S.A. 17-1254(m)(13)

Order of Dismissal -- Chapman Securities, Inc.

ALLEGATIONS: Failure to Comply with Request for Information

DATE: February 18, 2005, RESPONDENT: Chapman Securities, Inc. The Kansas Securities Commissioner issued an Order of Dismissal, discharging the July 26, 2004, Notice of Intent to Suspend Registration as A Broker Dealer. This dismissal followed Chapman Securities, Inc.'s decision to withdraw its registration as a broker-dealer.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.