

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)

CHAPIN DAVIS, INC.)
HAROLD H. HOFFMAN, JR.)

RESPONDENTS)

ADMINISTRATIVE ORDER
NO. CD-2007- 0032

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. CHAPIN DAVIS, INC. ("CHAPIN DAVIS") is a Maryland corporation with a business address of 2 Village Square, Suite 200, Baltimore, MD 21210.

2. HAROLD H. HOFFMAN, JR. ("HOFFMAN"), at all times relevant, was a representative of CHAPIN DAVIS, with a business address of 2 Village Square, Suite 200, Baltimore, MD 21210

STATEMENT OF FACTS

3. On May 3, 2007, CHAPIN DAVIS filed Form BD through the National Association of Securities Dealers, Inc. Central Registration Depository ("NASDCRD") applying for registration as a dealer in the state of Alabama. On May 11, 2007, a letter

was dispatched to CHAPIN DAVIS which requested certain documentation and information required for registration, including a request for a statement disclosing any prior sales activity in the state of Alabama. CHAPIN DAVIS was advised that failure to file a complete application may result in denial of the application and that the notification constituted an Order of the Commission deferring the registration effective date until such time as all deficiencies were resolved and an Order of Registration issued.

4. By letter dated May 18, 2007 CHAPIN DAVIS responded that "Chapin Davis does not have any existing or prior customer accounts in Alabama".

5. On May 11, 2007, a letter was dispatched to CHAPIN DAVIS' previous clearing firm, Pershing, a division of Donaldson, Lufkin & Jenrette Securities Corporation ("Pershing"), requesting a listing of Alabama clients of CHAPIN DAVIS and certain documents relating to those accounts, including transaction reports detailing transactions and date of transactions, if any.

6. On May 29, 2007, the Commission received transaction information from Pershing reflecting that between October 1, 2004 and January 5, 2007, HOFFMAN, acting as an agent for CHAPIN DAVIS, effected twenty- one (21) trades in four (4) accounts of Alabama residents.

7. On June 6, 2007, a letter was dispatched to First Clearing, LLC ("First Clearing"), CHAPIN DAVIS' current clearing firm, requesting a listing of Alabama clients of CHAPIN DAVIS and documents relating to those accounts, including transaction reports detailing transactions and date of transactions, if any.

8. On October 3, 2007, the Commission received transaction information from First Clearing reflecting that between February 22, 2007 and October 1, 2007, HOFFMAN, acting as an agent for CHAPIN DAVIS, effected seven (7) trades in two (2) accounts of an Alabama resident.

9. On October 23, 2007, a review of the files of the Commission disclosed no record of registration nor exemption from registration of CHAPIN DAVIS as a dealer or investment advisor in the state of Alabama, nor any record of registration for HOFFMAN as agent or investment advisor representative for CHAPIN DAVIS.

CONCLUSIONS OF LAW

10. CHAPIN DAVIS is neither registered nor exempt from registration as a dealer or investment advisor in the state of Alabama and has effected securities transactions with residents of the state of Alabama.

11. HOFFMAN is not registered as an agent or investment advisor representative in the state of Alabama and has effected securities transactions with a resident of the state of Alabama.

12. Transacting business in the state of Alabama as a dealer, investment advisor, agent or investment advisor representative, without benefit of registration or exemption from registration, is a violation of Section 8-6-3(a), Code of Alabama 1975.

13. CHAPIN DAVIS has filed an application for registration which as of its effective date or as of any date after filing was incomplete or contained a false statement.

14. The filing of an application for registration containing a false statement is a violation of Section 8-6-3(j)(1), Code of Alabama 1975.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

ACCORDINGLY, IT IS HEREBY ORDERED that CHAPIN DAVIS, LLC and HAROLD H. HOFFMAN, JR., immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 3rd day of December, 2007.



ALABAMA SECURITIES COMMISSION
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BY:


J. Randall McNeill
Deputy Director