

**SECRETARY OF STATE  
COMMISSIONER OF SECURITIES  
STATE OF GEORGIA**

**SOS SECURITIES**

**IN THE MATTER OF:**

**LITTLEFIELD ASSET MANAGEMENT,  
INC. (CRD# 109602)  
and DAVID J. LITTLEFIELD, JR.  
(CRD# 719005)**

**Respondents.**

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DEC 23 2013  
**CASE NO: ENSC-140341**  
**DOCKET NUMBER**

**DOCKET NO.: 2013-08-A**

**CONSENT ORDER**

Pursuant to § 10-5-71(a)(1) of the Georgia Uniform Securities Act of 2008, O.C.G.A. § 10-5-1, et seq. (the "Act"), the Commissioner of Securities for the State of Georgia (the "Commissioner") caused an investigation to be made into Respondents Littlefield Asset Management, Inc. (CRD# 109602) ("LAM" or the "Firm") and David J. Littlefield, Jr. (CRD# 719005) ("Littlefield") to determine whether Respondents had violated the Act or a rule adopted by the Commissioner thereunder (the "Rules"). The Commissioner subsequently determined that Respondents had in fact engaged in actions constituting violations of the Act and the Rules. As a result, pursuant to § 10-5-73(a)(1) of the Act, a summary order (the "August Order") directing Respondents to immediately cease and desist from violating Georgia law was issued by the Commissioner on August 14, 2013. Having considered information provided by Respondents and the representations made by Respondents, the Commissioner and Respondents hereby agree to the conditional registration of Respondents subject to the terms and conditions set forth herein.

### CONSENT TO JURISDICTION AND WAIVER

1. Respondents consent to the jurisdiction of the Commissioner over Respondents and this matter pursuant to the Act.
2. Respondents waive all rights to any formal hearing pursuant to the Act with respect to this matter.
3. Respondents and the Commissioner stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
4. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Consent Order is without factual basis.
5. Respondents stipulate and agree with the Commissioner that should any facts herein prove to be false, the Commissioner reserves the right to pursue any and all legal or administrative remedies at his disposal.

### FINDINGS OF FACT AND CONCLUSIONS OF LAW

6. Paragraphs 1 through 23 of the August Order are incorporated by reference as though fully set forth herein.

### ORDER

The Commissioner, after consideration of the Findings of Fact and Conclusions of Law, and on the consent of Respondents, finds this Consent Order to be in the public interest and necessary for the protection of the investing public and consistent with the Act.

**NOW, THEREFORE, it is hereby ORDERED** that the registrations under the Act of **LITTLEFIELD ASSET MANAGEMENT, INC. (CRD# 109602) and DAVID J. LITTLEFIELD, JR. (CRD# 719005)** shall be effective as of the date of entry of this Consent

Order. For a period of twenty-four (24) months from such effective date, the registrations of **LITTLEFIELD ASSET MANAGEMENT, INC. (CRD# 109602)** and **DAVID J. LITTLEFIELD, JR. (CRD# 719005)** shall be conditioned as set forth below:

1. Respondents LAM and Littlefield shall jointly and severally pay to the Commissioner a civil penalty of five thousand dollars and no cents (\$5,000.00), and shall reimburse the Commissioner for its investigative costs in the amount of two thousand dollars and no cents (\$2,000.00), both such payments to be made concurrently with Respondents' signing of this Consent Order. Payment to the Commissioner shall be in the form of two (2) checks (one for \$5,000.00 and another for \$2,000.00), each payable to the order of the "Office of the Secretary of State," and shall be delivered to Thomas Zagorsky at the Georgia Secretary of State's Office, Securities Division, Suite 802, West Tower, 2 Martin Luther King Jr. Drive, SE, Atlanta, Georgia 30334.
2. Respondent LAM shall at all times employ or retain a Chief Compliance Officer ("CCO") other than Littlefield to be responsible for Respondent LAM's compliance program. As a condition of the right to continue to transact business in the State of Georgia, Respondent LAM shall, by the close of business on the next business day following the resignation, termination or other event resulting in the CCO no longer being able to perform his/her duties, notify the Commissioner that the CCO is no longer performing such duties on behalf of Respondent LAM.
3. The CCO, on behalf of Respondent LAM, shall file with the Commissioner quarterly compliance reports as fully described in **Appendix A** attached hereto. The quarterly compliance reports shall be delivered to Thomas Zagorsky at the Georgia Secretary of State's Office, Securities Division, Suite 802, West Tower, 2 Martin Luther

King Jr. Drive, SE, Atlanta, Georgia 30334. Respondent LAM acknowledges and understands that failure to file compliance reports shall be deemed a willful violation of this Consent Order and the Commissioner may take additional action as a result thereof.

4. Respondent LAM shall report to the Commissioner, in writing, any complaint against Respondent LAM. Said report shall be filed with the Commissioner within ten (10) business days of receipt of a complaint by Respondent LAM. Said report shall include the name, address, phone number of all complainants and all document(s) evidencing the complaint.

5. On or before January 2, 2014, Respondent LAM shall file a status report (the "Status Report") with the Commissioner containing certain information as described below. The Status Report shall be delivered to Thomas Zagorsky at the Georgia Secretary of State's Office, Securities Division, Suite 802, West Tower, 2 Martin Luther King Jr. Drive, SE, Atlanta, Georgia 30334. Respondent LAM acknowledges and understands that failure to file the Status Report, or the filing of an incomplete Status Report, shall be deemed a willful violation of this Consent Order and the Commissioner may take additional action as a result thereof. The Status Report shall contain the following:

- a. the name, address, phone number and other contact information of the CCO to be responsible for Respondent LAM's compliance program commencing on the date of this Consent Order.
- b. a copy of Respondent LAM's Compliance Manual, which shall be reasonably designed to prevent violations of the Act and the Rules, and specifically tailored to address Respondent LAM's business. Respondent LAM's

Compliance Manual shall specifically set forth various compliance tasks or “compliance milestones” to be achieved throughout Respondent LAM’s fiscal year and the person(s) responsible for ensuring Respondent LAM’s achievement of such compliance milestones.

c. a copy of Respondent LAM’s updated Form ADV, including its Part II brochure, as filed via the online Investment Adviser Registration Depository (“IARD”) system.

6. To the extent that upon signing this Consent Order Respondent LAM does not have an executed investment advisory contract complying with the Commissioner’s Rule 590-4-4-.17 for any client, Respondent LAM shall not be permitted to collect any investment advisory fee from that client for such period of time for which no valid investment advisory contract is in place with respect to that client.

7. On or before January 31, 2014, Respondent LAM shall certify in writing to the Commissioner that it has completed the following measures:

a. to the extent that Respondent LAM has not obtained executed investment advisory contracts complying with the Commissioner’s Rule 590-4-4-.17 for each client of Respondent LAM prior to signing this Consent Order, Respondent LAM shall either obtain an executed investment advisory contract for such client or terminate all business relationships with that client;

b. Respondent LAM shall prepare a list of clients for which it holds “custody” of client funds or securities, as such term is defined in the Commissioner’s Rule 590-4-4-.20(4)(b), and whether such custody is based solely upon sub-paragraph (4)(b)(1)(ii) of Rule 590-4-4-.20;

c. Respondent LAM shall furnish each of its clients with (i) a brochure, which may be a copy of Part 2A of its Form ADV, or written documents containing the information required by Part 2A of Form ADV; and (ii) a copy of its Form ADV-Part 2B brochure supplement for each individual representative of Respondent LAM; and

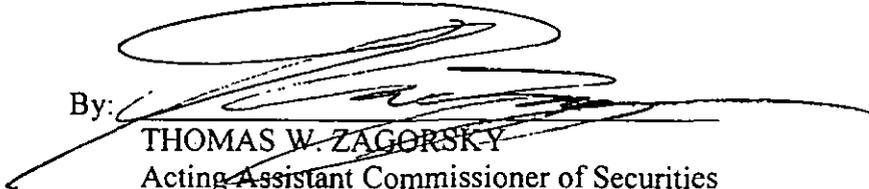
d. Respondent LAM shall obtain from each of its clients completed suitability questionnaires concerning such client's investment objectives, financial situation and needs.

If at any time it appears to the Commissioner that Respondents have failed to comply with this Consent Order or have made any other material misrepresentation or omission in regards to this matter, the Commissioner may take further action.

SO ORDERED, this 20<sup>th</sup> day of December, 2013.

**BRIAN P. KEMP  
SECRETARY OF STATE  
COMMISSIONER OF SECURITIES**

By:

  
**THOMAS W. ZAGORSKY**  
Acting Assistant Commissioner of Securities

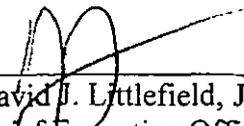
**CONSENT**

The undersigned consents to the issuance of this Consent Order and the terms and conditions set forth herein. The undersigned further waives the opportunity for a hearing and any right to appeal the entry thereof.

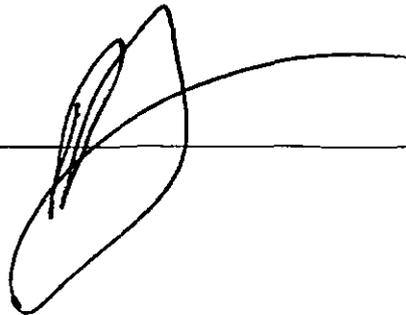
This 16th day of December, 2013.

**LITTLEFIELD ASSET MANAGEMENT, INC.**

By: \_\_\_\_\_

  
David J. Littlefield, Jr.  
Chief Executive Officer

**DAVID J. LITTLEFIELD, JR.**

  
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## APPENDIX A

The following information shall be provided to the Commissioner on a quarterly basis no later than the fourteenth (14<sup>th</sup>) business day following the end of a calendar quarter:

1. A listing of any/all violations of the policies and procedures articulated in LAM's Compliance Manual, including but not limited to failures to meet any applicable compliance milestones during the reporting quarter. For each reported violation, LAM shall provide a 1-3 paragraph description of the violation and the steps taken by LAM to rectify such violation.
2. A chart or other document tracking the achievement of all applicable compliance milestones during the reporting quarter.
3. A list describing the name, address, phone number, beginning assets under management, and custodian of record for each new client/account obtained during the reporting quarter.
4. A list describing the name, address, phone number, ending assets under management, and custodian of record for each client/account terminated for any reason during the reporting quarter, and the reason for such termination.
5. A list of any new employees hired by LAM.
6. A list of any employees terminated for any reason by LAM, and the reason for such termination.
7. Notice of any new bank accounts opened on behalf of LAM.
8. Notice of changes made by LAM with respect to material vendors or service providers, including but not limited to accountants, auditors, attorneys, data warehouse/information technology providers and compliance consultants.
9. Notice of any new brokers or custodians used or approved-for-use by LAM.
10. LAM's total reportable regulatory assets under management as of the last day of the reporting quarter.
11. LAM's total number of clients/accounts as of the last day of the reporting quarter.
12. Any edits or other changes made to LAM's Compliance Manual.
13. Any edits or other changes made to LAM's Form ADV, Parts I and II.
14. An unaudited copy of LAM's Statement of Financial Condition/Balance Sheet as of the last day of the reporting quarter.
15. Any new marketing or advertising materials created by LAM and disseminated to any Firm client during the reporting quarter.