

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
Release No. 8741 / September 25, 2006

**SECURITIES EXCHANGE ACT OF 1934**  
Release No. 54492 / September 25, 2006

**ADMINISTRATIVE PROCEEDING**  
File No. 3-12428

In the Matter of

**RICHARD P. POIRIER,  
JR.**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER PURSUANT TO  
SECTION 8A OF THE SECURITIES ACT OF  
1933, AND SECTIONS 15(b), 15B(c)(4) AND  
21C OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), and Sections 15(b), 15B(c)(4), and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Richard P. Poirier, Jr. (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, and Sections 15(b), 15B(c)(4), and 21C of the Securities Exchange Act of 1934.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that

#### **Respondent**

1. At all relevant times, Respondent served as a General Partner of Lazard Freres & Co. LLC ("Lazard Freres"), resident in its New York City office. At all relevant times, Respondent was a registered representative associated with Lazard Freres.

#### **Other Relevant Entities**

2. Fulton County, Georgia's ("Fulton County" or "County") governing body is the Board of Commissioners. At all relevant times, the Fulton County Board of Commissioners was empowered to issue bonds and to select underwriters in connection with such bond issuances.

3. Lazard Freres is a partnership organized under the laws of the State of New York with its principal place of business in New York. At all relevant times, Lazard Freres was a broker-dealer and municipal securities dealer, and was registered with the Commission pursuant to Sections 15(b) and 15B(a)(2) of the Exchange Act.

4. Stephens & Co. ("Stephens") is an Arkansas corporation with its principal place of business in Little Rock, Arkansas. At all relevant times, Stephens was a broker-dealer, municipal securities dealer, and investment adviser, and was registered with the Commission pursuant to Sections 15(b) and 15B(a) of the Exchange Act, and Section 203(c) of the Advisers Act.

5. A third-party entity ("the outside consultant") is a Florida-based company with its principal place of business in Tallahassee, Florida. At all relevant times, the outside consultant served as a consultant to Lazard Freres on a variety of municipal finance matters.

#### **Facts**

6. In March 1992, Fulton County commenced a process for selecting new financial advisors by issuing a Request for Proposals for financial advisory services ("Financial Advisory RFP"). In its Financial Advisory RFP, the County stated that the financial advisor it selected would be expected to provide the County with, among other things, "assistance in the selection of investment banking firms" for the underwriting of

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<sup>1</sup> The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

County bond issues, as well as “independent advice,” on a variety of matters, including such selection.

7. On June 3, 1992, Fulton County named Stephens and another firm to provide services in connection with the Financial Advisory RFP. Stephens’ Financial Advisory RFP identified one of its Atlanta-based employees as the primary banker assigned to the Fulton County financial advisory account (“Stephens’ primary banker”).

8. By July 1992, with the assistance of its financial advisor, Fulton County decided to pursue a large bond issue known as the \$163,375,000 Fulton County, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 1992 (“Fulton Water & Sewer Refunding”).

9. Lazard Freres was one of the bidders for the position of senior managing underwriter for the Fulton Water & Sewer Refunding. The outside consultant sought the assistance of Stephens’ primary banker to help Lazard Freres obtain the bid for the Fulton Water & Sewer Refunding – Stephens’ primary banker agreed to assist and did assist Lazard Freres in obtaining the position of senior managing underwriter. In September 1992, Fulton County ultimately selected Lazard Freres as the senior managing underwriter. The securities from this bond issue were ultimately offered and sold to the public.

10. In December 1992, following the October 1992 closing of the Fulton Water & Sewer Refunding, the outside consultant, who had worked previously with Stephens’ primary banker, requested payment from Lazard Freres of \$83,872 for “Governmental Consulting-Business Development/Marketing Services.” Subsequently, the Respondent caused Lazard Freres to issue a check for \$83,872 to the outside consultant.

11. The outside consultant then paid Stephens’ primary banker \$41,936, exactly half of this amount. This \$41,936 payment was never disclosed to the issuer or to investors in the Fulton Water & Sewer Refunding. By virtue of his position as a General Partner of Lazard Freres, Respondent had a duty to disclose this payment to Fulton County and the investors in the Fulton Water & Sewer Refunding. Respondent knew or was reckless in not knowing that his failure to disclose to Fulton County the assistance he received from Stephens’ primary banker and Lazard Freres’ payment was a material omission.

12. As a result of the conduct described above, Respondent willfully violated Section 17(a) of the Securities Act, Sections 10(b) and 15B(c)(1) of the Exchange Act, Rule 10b-5 thereunder, and Rules G-17 and G-20 of the Municipal Securities Rulemaking Board.

#### IV.

In view of the foregoing, the Commission deems it appropriate, and in the public interest, to impose the sanctions agreed to in Respondent Poirier’s Offer.

Accordingly, pursuant to Section 8A of the Securities Act, and Sections 15(b), 15B(c)(4) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Poirier cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Sections 10(b) and 15B(c)(1) of the Exchange Act, Rule 10b-5 thereunder, and Rules G-17 and G-20 of the Municipal Securities Rulemaking Board.

B. Respondent Poirier be, and hereby is, barred from association with any broker, dealer, or municipal securities dealer.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris  
Secretary