



3. On or about May 28, 2004, Respondent registered in South Carolina as an agent of CAC Capital Corporation.
4. On or about April 25, 2003, May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent filed with the Division “Uniform Application for Securities Industry Registration or Transfer” documents (“Form U-4s”) to register or amend Respondent’s agent registration.
5. Respondent signed section 15.A of all Form U-4s with the exception of the filing on June 2, 2004, attesting that he had read and understood the items and instructions on the Form U-4s, that he understood he would be subject to administrative, civil or criminal penalties if he gave false or misleading answers, that his answers were true and complete to the best of his knowledge, that he agreed to update the Form U-4s by causing an amendment to be filed on a timely basis whenever changes occurred to the answers previously reported, and to the extent any information previously submitted was not amended, the information provided in the Form U-4s was currently accurate and complete.
6. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of driving while intoxicated 3<sup>rd</sup> (the “DWI Felony”), a third degree felony due to prior convictions for the offenses of driving a motor vehicle while intoxicated. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the DWI Felony. On or about January 22, 2004, Respondent entered a plea of guilty and was convicted of the DWI Felony.
7. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of possession of cocaine under one gram (the “Possession Felony”), a state jail felony. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the Possession Felony.

8. Item 14A(1) of the Form U-4s required Respondent to answer “yes” or “no” to whether he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
9. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent answered “no” to item 14A(1), thereby failing to disclose the DWI Felony charge, the DWI Felony guilty plea and conviction, and the Possession Felony charge.
10. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent failed to indicate [or denied] he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
11. Each of Respondent’s failures to submit a truthful response and/or to amend an earlier negative response to Item 14A(1) on Form U-4s filed on or after May 20, 2003, constitutes a violation of the Act.
12. Pursuant to Sections 14.A(1), 14.A(6), 14.A(7) and 23-1 of the Texas Securities Act and § 105.5 and § 105.8(a) of the Texas Securities Board Rules, following notice and opportunity for a hearing, the Texas Securities Commissioner revoked Respondent’s registration on March 5, 2007.
13. Respondent’s agent registration in the State of South Carolina terminated on December 31, 2006.
14. The foregoing charges and felony conviction, Respondent’s failure to disclose the felony charges and conviction, and the Texas Securities Commissioner’s revocation of Respondent’s agent registration after notice and opportunity for a hearing are all grounds for

(1) revocation of Respondent's agent registration in South Carolina and (2) the issuance of a permanent bar against Respondent, pursuant to Sections 35-1-409 and 35-1-412 of the Act.

**APPLICABLE LAW**

15. Pursuant to S.C. Code Ann. § 35-1-409, the Securities Commissioner may institute a revocation proceeding under S.C. Code Ann. § 35-1-412 within one year after the withdrawal of a registration as a broker-dealer, agent, investment adviser or investment adviser representative became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective.
16. Pursuant to S.C. Code Ann. § 35-1-412(b), the Securities Commissioner may issue an order to revoke the registration of a registrant if the Securities Commissioner finds the Order to be in the public interest and S.C. Code Ann. § 35-1-412(d) authorizes the action.
17. Pursuant to S.C. Code Ann. § 35-1-412(c), the Securities Commissioner may issue a permanent bar from registration against a registrant if the Securities Commissioner finds the permanent bar to be in the public interest and S.C. Code Ann. § 35-1-412(d) (1) through (6), (8), (9), (10), or (12) and (13) authorizes the action.
18. Based on actions described in S.C. Code Ann. § 35-1-412(d)(1), (2), (3) and (5), a person may be disciplined under S.C. Code Ann. § 35-1-412(a) through (c) if the person:
  - a. Has filed an application for registration in South Carolina under the Act within the previous ten (10) years, which was incomplete in any material respect or contained a statement that in light of the circumstances was false or misleading with respect to a material fact;
  - b. Has willfully violated or willfully failed to comply with the Act or a rule adopted or order issued under the Act;
  - c. Has been convicted of a felony;

- d. Is the subject of an order, issued after notice and opportunity for a hearing by the securities or other financial services regulator of a State or the Securities and Exchange Commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative; or
- e. Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous 10 years.

19. Pursuant to S.C. Code of Regulations 13-502(B), engaging in conduct such as non-disclosure, incomplete disclosure, or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, imposition of administrative fines, or such other action authorized by statute.

#### **NOTICE AND OPPORTUNITY FOR A HEARING**

NOTICE is hereby given that the Respondent shall have thirty (30) days from the date of receipt of this Notice of Intent to Seek Revocation of Registration and Permanent Bar to give written notice requesting a hearing on the matters contained herein to Thresechia Navarro, Securities Division, Post Office Box 11549, Columbia, South Carolina, 29211-1549. Within fifteen (15) days of receipt of a written notice requesting a hearing, this matter will be scheduled for a hearing. Respondent may then appear, with or without the assistance of an attorney, at the hearing to present testimony, evidence, and argument relating to the matters contained herein. In the event such written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an ORDER REVOKING RESPONDENT'S REGISTRATION AND ISSUING A PERMANENT BAR may be entered in this proceeding with no further notice.

The Division reserves the right to seek a civil penalty in a separate proceeding.

Executed and entered, this the 21<sup>st</sup> day of September, 2007.

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