

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	CONSENT ORDER
Michael Lovett,)	
)	
)	File Number 13082
<hr/> Respondent.)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”), issued a Rule to Show Cause against Michael Lovett (“Respondent”) for failing to provide records requested from the firm where he is employed as the compliance officer; and

WHEREAS, the Respondent wishes to resolve the Rule to Show Cause by Consent Order rather than by a formal hearing before the Securities Commissioner (the “Commissioner”);

NOW THEREFORE, as evidenced by his signature on this Order, the Respondent hereby admits the jurisdiction of the Commissioner over this matter, and agrees to pay an administrative fine of \$4,000 to resolve the proceedings. After consideration of the facts and law of the case, as contained in the Rule to Show Cause issued with File Number 13082, the Commissioner finds it appropriate, in the public interest, and for the protection of investors and the capital markets of the State of South Carolina to accept Respondent’s offer to resolve the matter. The Respondent shall, within thirty (30) days of execution of this Order pay the fine set forth above.

IT IS SO ORDERED this 16 day of October 2013.

By: Alan Wilson
Alan Wilson
Securities Commissioner
State of South Carolina

WE CONSENT:

Securities Division of the Office of the Attorney General

By: Tracy Meyers
Tracy Meyers
Assistant Deputy Attorney General
Securities Division

Date: 10/4/13

Michael Lovett, Respondent

By: M.L.

Date: 9/30/13

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	RULE TO SHOW CAUSE
Michael Lovett,)	
)	
)	File Number 13082
<hr/> Respondent.)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”), has been authorized and directed by the Securities Commissioner of South Carolina (the “Securities Commissioner”) to administer the provisions of S.C. Code Ann. § 35-1-101, *et. seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”); and

WHEREAS, the Division alleges the following:

I. Jurisdiction

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

II. Respondent

2. Respondent Michael Lovett is currently registered as a broker-dealer agent with the Division and has been registered as such since November of 1998.

III. Factual Background

3. Respondent serves as Compliance Officer for a broker-dealer (the “Firm”) registered with the Division.

4. On or about May 16, 2013, the Division requested information from the Firm pursuant to S.C. Code Ann. § 35-1-411(d) (the "Request for Information"), asking that a response be provided on or before June 3, 2013.
5. On or about June 17, 2013, Division Staff spoke by telephone with Respondent, who stated that he would forward the Firm's answer to the Request for Information to the Division by June 21, 2013.
6. On or about June 21, 2013, Respondent requested another week with which to provide the Division with the Firm's answer to the Request for Information.
7. On or about July 22, 2013, the Request for Information having not yet been answered, Respondent requested that he be given until August 1, 2013 to provide the Firm's answer to the Request for Information.
8. Respondent failed to comply with the August 1, 2013 deadline.
9. Respondent has since replied with an answer to the Request for Information.
10. Respondent's failure to provide a timely response to the Request for Information has impeded the Division's inspection.

IV. Applicable Law

11. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et. seq.* (the "Act"), governs the offer and sale of securities within the state of South Carolina.
12. Pursuant to S.C. Code Ann. § 35-1-411(d), the Securities Commissioner or his designee may inspect the records of a broker-dealer registered with the Division.
13. Pursuant to S.C. Code Ann. § 35-1-412(b), the Securities Commissioner may revoke the registration of a registrant if it is determined that that registrant's conduct violated S.C. Code Ann. § 35-1-412(d)(8) by impeding an inspection under Section 411(d).

14. Pursuant to S.C. Code Ann. § 35-1-412(c), if the Securities Commissioner finds that the order is in the public interest and subsection (d)(1) through (6), (8), (9), (10), or (12) and (13) authorizes the action, an order under the Act may censure, impose a bar, and/or impose a civil penalty in an amount not to exceed \$10,000 for each violation on a registrant.

V. Conclusion

16. Based on the foregoing facts and applicable law, a civil penalty in an amount not to exceed \$10,000 should be imposed on Respondent.

NOW THEREFORE, it is hereby **ORDERED** that Respondent **SHOW CAUSE**, if any there be, why the Securities Commissioner should not enter an Order, pursuant to S.C. Code Ann. § 35-1-412(b) and (c), imposing a fine not to exceed \$10,000 on Respondent for impeding the Division's inspection under S.C. Code Ann. § 35-1-411(d).

NOTICE AND OPPORTUNITY FOR A HEARING

Respondent is hereby notified that he has thirty (30) days from the date of this Rule to Show Cause to file an answer and, if desired, a request for a hearing on the matters contained herein. Such documents should be filed with Thresechia Navarro, Securities Division, Post Office Box 11549, Columbia, South Carolina, 29211-1549. In his written Answer, Respondent shall admit or deny each factual allegation in this Rule to Show Cause, set forth specific facts, laws, and/or affirmative defenses which Respondent relies upon. If Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

In the event an answer and written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an order imposing an administrative fine in an amount not to exceed \$10,000 will be entered in this proceeding with no further notice.

Respondent is further notified that by seeking the issuance of an order imposing an administrative fine in an amount not to exceed \$10,000, the Division is not waiving any rights it may have to pursue additional remedies available to it for violations of the Act committed by Respondent not enumerated herein.

ENTERED, this the 20th day of September, 2013.
Columbia, South Carolina

By: Tracy Meyers
Tracy Meyers
Assistant Deputy Attorney General
Post Office Box 11549
Columbia, South Carolina 29211