

Act, and, concurrently with the filing of this Consent Order, the Division filed an Order to Cease and Desist (the "C&D Order") with the Securities Commissioner (the "Commissioner");

WHEREAS, Respondent wishes to resolve the issues described in the C&D Order by this Consent Order rather than by a formal hearing before the Commissioner;

WHEREAS, on April 17, 2007, Respondent withdrew his application for 2007 registration as an investment adviser ("IA") and an investment adviser representative ("IAR");

NOW THEREFORE, as evidenced by his signature on this Consent Order, Respondent admits that he did not register as an IA or an IAR in 2006 and is not currently registered as an IA or an IAR. Further, without admitting or denying any other wrongdoing or negligence, Respondent expressly consents and agrees to the following sanctions and requirements, each of which is appropriate and in the public interest to impose upon Respondent based on the facts in the C&D Order:

- a. Respondent, who represents he is not currently conducting business as an IA or as an IAR in or from the State of South Carolina, shall continue to cease and desist from conducting business as an IA and/or as an IAR in or from the State of South Carolina for a period of six (6) months from the effective date of this Consent Order;
- b. Respondent must take and pass the Uniform Investment Adviser Law Exam (i.e., the Series 65 exam) before submitting an application for future registration as an IA or an IAR in South Carolina, and Respondent understands that failure to do so is grounds for denial of any application for registration;
- c. If Respondent applies for registration as an IA or an IAR in South Carolina, whether in the name of the Respondent or through an entity in which Respondent

has control or is an officer or director, Respondent must satisfy all of the Division's requirements for an initial applicant, and failure to satisfy any of the requirements is grounds for denial of any application for registration;

d. If Respondent becomes registered in South Carolina as an IA in the future, whether in the name of the Respondent or through an entity in which Respondent has control or is an officer or director, Respondent shall engage an unrelated professional services firm that is experienced in assisting IAs in complying with applicable state and federal laws governing IAs to assist Respondent and perform services in the three areas set forth below. Respondent understands that failure to comply timely with these requirements is grounds for revoking Respondent's registration as an IA or denying any future applications for registration.

1. Within three (3) months of being registered as an IA in South Carolina, Respondent, with the assistance of the professional services firm, shall have prepared a written and complete compliance and supervisory procedures manual. Respondent shall send to the Division a copy of the completed manual and a copy of the contract with the applicable professional services firm within a week of its completion.

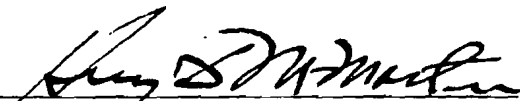
2. Within three (3) months of being registered as an IA in South Carolina, Respondent, with the assistance of the professional services firm, shall have prepared written policies and procedures concerning the maintenance of adequate books and records as required under South Carolina law. Respondent shall send to the Division a copy of the completed policies and procedures and a copy of the contract with the applicable professional services

firm within a week of their completion.

3. After ten (10) months of being registered as an IA in South Carolina, a professional services firm shall conduct an audit of Respondent's investment advisory activities and issue a report of its findings to Respondent and to the Division. This report shall be issued by the time Respondent has been registered as an IA in South Carolina for one (1) year. Respondent shall send to the Division its response to each of the findings in the audit.
- e. Respondent, within sixty (60) days of the effective date of this Consent Order, shall pay twenty thousand dollars (\$20,000) to the Division as a civil penalty;
- f. Pursuant to S.C. Code of Regulations 13-408, Respondent at all applicable times, including any applicable time in which Respondent has ceased to conduct or has discontinued business as an IA, shall arrange for and be responsible for the preservation of the books and records required to be maintained and preserved; and
- g. Respondent, within fifteen (15) days of the effective date of this Consent Order, shall notify each investment advisory client in writing that he was not registered as an IA and an IAR in 2006, that he is not currently registered as an IA or an IAR, and that he cannot currently serve them as an IA or an IAR.

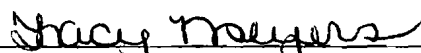
Upon execution by the Commissioner, this Consent Order becomes effective and resolves Administrative Proceeding 06043 as it relates to the Respondent.

IT IS SO ORDERED this 2nd day of June, 2007.

By: 
Henry D. McMaster
Securities Commissioner
State of South Carolina

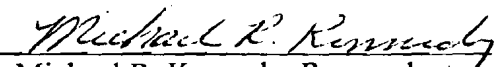
WE CONSENT:

Securities Division of the Office of the Attorney General

By: 
Tracy A. Meyers
Assistant Attorney General
Securities Division

Date: 6/18/07

Michael R. Kennedy

By: 
Michael R. Kennedy, Respondent

Date: _____