ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	
	)	**ORDER TO CEASE AND DESIST**
	)	
Avericom, LLC	)	
and Peter W. Bowman,	)	**File Number 09087**
	)	
Respondents.	)	
	)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2009), in or around May 19, 2009, received information regarding alleged activities involving Peter W. Bowman and Avericom, LLC (collectively, the "Respondents") which would constitute violations of the Act;

WHEREAS, the information led the Division to open and conduct an investigation into the activities of the Respondents pursuant to S.C. Code Ann. § 35-1-602 (Supp. 2009) and this investigation is ongoing;

NOW THEREFORE, in connection with the investigation, the Division determined that the Respondents have engaged and may be about to engage in acts or practices constituting violations of the Act and hereby includes in this Order to Cease and Desist ("Order") a statement of the reasons for the Order, a statement of the civil penalty sought as a result, and a notice that a hearing will be scheduled if either Respondent requests a hearing.

FACTUAL HISTORY

1. Respondent Avericom, LLC ("Respondent Avericom") was, at all times material herein, an entity with an address at 1156 Bowman Road, Suite 200, Mount Pleasant, South Carolina 29464.
2. At all times material herein, Respondent Avericom maintained a website at http://www.avericom.com ("Website").
3. At all times material herein, Respondent Avericom was offering for sale limited liability company membership interests ("Interests") in Respondent Avericom.
4. Respondent Peter W. Bowman ("Respondent Bowman") is a South Carolina resident with a last known address of 1156 Bowman Road, Suite 200, Mount Pleasant, South Carolina 29464.
5. Upon information and belief, Respondent Bowman was the founder of Respondent Avericom.
6. In or about September 2009, Respondent Bowman posted an advertisement ("Ad") titled "Successful Technology Company Opens Private Placement Offering" on an internet message board. The Ad stated:
    a. Respondent Avericom is "a successful Internet development and media agency which is currently expanding for the purposes of a 23 to 30 month sale or acquisition";
    b. Respondent Avericom is "currently offering investment opportunities through its PPM program which seeks to raise under $1 million in equity financing"; and
    c. The price for a block of Interests starts at $4,800.

7. On or about November 20, 2009, the Division received information regarding a Pennsylvania resident (the "Pennsylvania Resident") who viewed the Ad and Web Site in or about October 2009. Using an email address provided on the Web Site, the Pennsylvania Resident sent an email to Respondent Avericom requesting additional information.

8. In or about October 2009, Respondent Bowman telephoned the Pennsylvania Resident and offered for sale the Interests. Respondent Bowman stated:

    a. Investment risk in Respondent Avericom was reduced because research and development was complete and the investments would only be used to grow the company and for advertising;

    b. If the Pennsylvania Resident invested $25,000, he would give the Pennsylvania Resident a "kicker" and sell the interests to the Pennsylvania Resident at a cost of $1.00 per Interest rather than $1.50;

    c. Once Respondent Avericom is sold, the Pennsylvania Resident's return would be 200% to 250%; and

    d. The Pennsylvania Resident was not required to know anything about Respondent Avericom or to do anything other than invest.

9. In or about October 2009, a representative of Respondent Avericom ("Representative") mailed offering materials ("Materials"), including a Private Placement Memorandum and Subscription Agreement, to the Pennsylvania Resident. The Materials state that Respondent Avericom is offering up to 2,000,000 Interests at a price of $.48 per Interest and that the minimum purchase is 10,000 Interests.

10. The Pennsylvania Resident had no substantive, pre-existing relationship with Respondent Avericom, Respondent Bowman, or the Representative.

11. The Pennsylvania Resident was not an "accredited investor" under Rule 501 of Regulation D and did not have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the investment.

12. Neither Respondent Bowman nor Respondent Avericom is currently registered with the Division as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative, and neither Respondent was registered with the Division in any capacity at any time relevant herein.

13. At the time the Pennsylvania Resident was solicited, the Interests were not registered in the State of South Carolina, were not federal covered securities for which a notice filing was properly filed, and were not exempt from registration.

14. The Respondents offered the Interests to the Pennsylvania Resident in or from the State of South Carolina.

15. Representations were made to the Pennsylvania Resident at the time of solicitation that he had only to place his money with Respondents to achieve the stated returns; the Pennsylvania resident was not required to engage in any material efforts in order to achieve the returns the Respondents advertised.

APPLICABLE LAW

1. Pursuant to S.C. Code Ann. § 35-1-102(29) (Supp. 2009), the Interests offered by Respondents to a Pennsylvania Resident constitute securities.

2. Pursuant to S.C. Code Ann. § 35-1-402(a) (Supp. 2009), it is unlawful for a person to transact business in or from this State as an agent unless the individual is registered under the Act as an agent or is exempt from registration as an agent under the Act.
3. Pursuant to S.C. Code Ann. § 35-1-402(d) (Supp. 2009), it is unlawful for an issuer engaged in offering or selling securities in this State to employ or associate with an individual who transacts business in the State on behalf of broker dealers or issuers unless the agent is registered under the Act or is exempt from registration under the Act.
4. Pursuant to S.C. Code Ann. § 35-1-301 (Supp. 2009), it is unlawful for a person to offer or sell a security in or from this State unless (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under S.C. Code Ann. § 35-1-201 through § 35-1-203; or (3) the security is registered under the Act.
5. Pursuant to S.C. Code Ann. § 35-1-503(a) (Supp. 2009), in a civil action or administrative proceeding under the Act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.
6. Pursuant to S.C. Code Ann. § 35-1-501 (Supp. 2009), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly: (1) to employ a device, scheme, or artifice to defraud; (2) to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.
7. Pursuant to S.C. Code Ann. § 35-1-602(a)(1) (Supp. 2009), the Securities Commissioner may conduct public or private investigations within or outside the State of South Carolina

which the Securities Commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate the Act or a rule adopted or order issued under the Act, or to aid in the enforcement of the Act or in the adoption of rules and forms under the Act.

8. Regarding administrative remedies under the Act:

   a. Pursuant to S.C. Code Ann. § 35-1-604(a)(1) (Supp. 2009), if the Securities Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the Securities Commissioner may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with the Act.

   b. Pursuant to S.C. Code Ann. § 35-1-604(b) (Supp. 2009), a cease and desist order issued under S.C. Code Ann. § 35-1-604(a)(1) (Supp. 2009) must include a statement of any civil penalty or costs of investigation the Securities Commissioner will seek, a statement of the reasons for the order, and notice that, within 15 days after receipt of a request in a record from the person, the matter will be scheduled for a hearing.

   c. Pursuant to S.C. Code Ann. § 35-1-604(d) (Supp. 2009), in a final order, the Securities Commissioner may impose a civil penalty in an amount not to exceed ten thousand dollars ($10,000.00) for each violation.

   d. Pursuant to S.C. Code Ann. § 35-1-604(e) (Supp. 2009), in a final order, the Securities Commissioner may charge the actual cost of an investigation or

proceeding for a violation of the Act or a rule adopted or order issued under the Act.

DIVISION'S DETERMINATION

WHEREAS, based on the application of the law to the facts, the Division has determined that Respondents have engaged, are engaging, or are about to engage in an act, practice, or course of business constituting a violation of the Act and have engaged, are engaging, or are about to engage in an act, practice, or course of dealing constituting a violation of the Act or a rule adopted or order issued under the Act as follows:

a. In or about September 2009, Respondents, operating in or from the State of South Carolina, offered for sale limited liability company membership Interests to a Pennsylvania Resident.

b. The Interests constitute "securities" pursuant to the Act.

c. The securities were not registered for sale in or from the State of South Carolina.

d. Respondents are not now and during the time of the offer described in (a) above were not licensed to sell securities in or from the State of South Carolina.

e. No exemption from securities or agent registration has been filed or claimed by Respondents or anyone acting on Respondents' behalf.

f. Respondents violated the anti-fraud provisions of the Act by making the following omissions of material fact:

    i. Omitting to tell the Pennsylvania Resident that Respondent Bowman had no legal basis for the representation he made indicating "the return would be 200% to 250%;"

ii. Failing to inform the Pennsylvania Resident that neither Respondent Bowman nor Respondent Avericom was registered to offer or sell securities or otherwise transact securities business in the State of South Carolina; and

iii. Failing to disclose the significant amount of risk an investment in Avericom entailed.

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1) (Supp. 2009), it is HEREBY ORDERED that each Respondent:

a. Cease and desist from offering and/or selling securities, in violation of S.C. Code Ann. §§ 35-1-301, 35-1-401, 35-1-402, and 35-1-501 (Supp. 2009); and

b. Pay a civil penalty in the amount of five thousand dollars ($5,000.00) and costs in the amount of one thousand dollars ($1,000.00) if this Order becomes effective by operation of law, or, if any Respondent seeks a hearing and a hearing officer or any other legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars ($10,000.00) for each violation of the Act committed by that Respondent and actual costs of the proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that they have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, Attention: Thresechia Navarro, within thirty (30) days of the issuance of this Order to Cease and Desist a written Answer specifically requesting a hearing.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of his right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to that Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENALTIES UNDER S.C. CODE ANN. § 35-1-508 (SUPP. 2009). REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508 (SUPP. 2009).

IT IS SO ORDERED.

This 19th day of March, 2010

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