

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)	
)	
)	CENSURE OF RESPONDENT
Gary James Heady, a/k/a Gary J.)	GARY JAMES HEADY, a/k/a GARY
Heady, a/k/a HI Management)	J. HEADY, a/k/a HI
Services,)	MANAGEMENT SERVICES,
IARD# 152551, and)	IARD# 152551
)	
Gary J. Heady,)	File Number 13030
CRD# 2569444)	
)	
)	
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 *et. seq.* (Supp. 2012), conducted an audit of Respondent Gary James Heady (a/k/a Gary J. Heady and HI Management Services, hereafter collectively referred to as the "Firm"), a registered investment adviser owned and operated by Respondent Gary J. Heady ("Heady"), a registered investment adviser representative, (collectively the Firm and Heady may be referred to as the "Respondents"); and

WHEREAS, in connection with its audit, communications, and follow-up visits, the Division determined certain acts of the Respondents constituted violations of the Act; and

WHEREAS, on October 1, 2014, the Division issued a Rule to Show Cause ordering the Respondents to show cause, if any there be, why the Securities Commissioner should not enter an order revoking the registrations of the Respondents, imposing a civil penalty, and permanently barring the Respondents from the securities and investment advisory business in the State of South Carolina; and

WHEREAS, on October 1, 2014, the Division issued a Summary Suspension order suspending the investment adviser registration of the Firm and the investment adviser representative registration of Heady until such time as the Rule to Show Cause order is resolved; and

WHEREAS, the Respondents acknowledge their desire to resolve this matter by Consent Order rather than by formal hearing before the Securities Commissioner (the “Commissioner”); and

WHEREAS, simultaneously with this Censure, Respondent Heady has entered into a Consent Order with the Division which revokes his investment advisory representative license for a period of one year from the date of execution of that order and imposes a civil penalty; and

WHEREAS, the Firm admits the jurisdictional allegations herein but otherwise neither admits nor denies any of the findings of fact, allegations, assertions or conclusions of law that have been made in this proceeding; and

WHEREAS, the Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a); and

WHEREAS, the Commissioner finds the investor protections and remedies in this Consent Order both appropriate and in the public interest for the protection of the investors and the capital markets of the State of South Carolina;

NOW, THEREFORE, IT IS HEREBY ORDERED, and the Firm expressly consents and agrees that:

- A. The Firm, and every successor, affiliate, control person, agent, servant and employee of the Firm, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Firm, will immediately cease and desist from violating the Act;
- B. Within thirty days the Firm and every successor, affiliate, or commonly controlled investment advisory business will retain an independent consultant to review its policies and procedures and documents pertaining to record keeping, suitability documentation, account opening forms, advisory agreements, fee schedules, fee computation methodologies, and other related compliance issues and such reviews shall continue on a semi-annual basis for a period of two years from the date of execution of this order;
- C. The Firm, and every successor, affiliate, or commonly controlled investment advisory business, will submit to the Division any and all reports and recommendations submitted to it

- by the independent consultant;
- D. The Firm will submit, within ten days of the execution of this order, a copy of this censure to all advisory clients existing as of the date of this order;
 - E. The Firm, and every successor, affiliate, or commonly controlled investment advisory business, will provide a copy of this censure to any potential investment advisory clients prior to executing an advisory agreement for a period of two years; and
 - F. The Firm will pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the Division.

Upon execution by the Commissioner, this Order resolves Administrative Proceeding 13030 as it relates to the Firm.

The Firm, and every successor, affiliate, control person, agent, servant and employee of the Firm, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Firm agrees and understands that it may not split fees or enter into a fee splitting agreement with Respondent Heady or provide Respondent Heady any remuneration for soliciting clients during the one year revocation period or during any period where Heady is not registered with the Division.

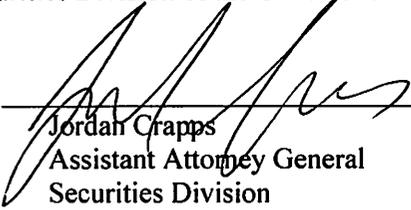
The parties to this Order agree the Order does not and should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to any investor(s), (iii) action of any kind in any type of bankruptcy proceeding(s), or (iv) other causes of action which may result from any activity of the Respondents not detailed above or which may hereafter arise.

IT IS SO ORDERED this 3 day of December 2014.

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

WE CONSENT:

Securities Division of the Office of the Attorney General:

By: 
Jordan Crapps
Assistant Attorney General
Securities Division

Date: 12/02/14

Respondent Gary James Heady (a/k/a Gary J. Heady and HI Management Services) IARD# 152551:

By: 
Gary Heady

Date: 12/02/14