

FACTUAL HISTORY

1. Rippy, at all times material herein, was a resident of South Carolina.
2. Rippy, at all times material herein, maintained the business APS.
3. APS is a South Carolina corporation, incorporated with the South Carolina Secretary of State in 2003.
4. Rippy is APS' registered agent with a registered address of 616 Bluff Pointe, Columbia, South Carolina 29212.
5. APS' principal business address at all times relevant herein was 121 Executive Center Drive, Suite 138, Columbia, South Carolina 29210.
6. At all times material herein, APS was registered with the Division as an Investment Adviser.
7. At all times material herein, Rippy was registered with the Division as an Investment Adviser Representative of APS.
8. On or about June 22, 2009, Rippy met with representatives of the Division concerning advertisements and other issues regarding the registration documents for Rippy and APS. Specifically addressed in this meeting were the statutes and rules concerning advertisements and registration documents, and the Respondents' failure to comply with those statutes and rules.
9. At the meeting on June 22, 2009, it was agreed that Rippy, on behalf of herself and APS, would supply additional information concerning Respondents' business activities to the Division.

10. On or about August 11, 2009, the Division mailed a letter to Rippy at the office of APS, which detailed the items Rippy agreed to provide to the Division and asked that the items be provided to the Division by August 31, 2009.
11. On or about November 13, 2009, the Division mailed a second request to Rippy at the office of APS, again asking for Rippy to supply the items requested in the June 22, 2009, meeting and subsequent August 11, 2009, letter, as well as an additional item.
12. The additional item requested in the November 13, 2009, letter was information concerning an advertisement accompanying a "Perks Card" that was circulated to employees of the State of South Carolina by the South Carolina Department of Human Resources in September of 2009.
13. The statutes and rules governing advertisements by investment advisers, including Rule 13-503 regarding advertising by investment advisers and other registered individuals, were specifically discussed at the meeting between Respondent Rippy and the Division on June 22, 2009.
14. The advertisement accompanying the "Perks Card" was not filed with the Division prior to its use in South Carolina.
15. As of May 25, 2010, the information requested by the Division in the letter dated November 13, 2009, has not been provided to the Division as required.

APPLICABLE LAW

16. Pursuant to S.C. Code Ann. § 35-1-411(c)(1), an investment adviser registered or required to be registered under the Act shall make and maintain the accounts, correspondence, memoranda, papers, books and other records required by rule adopted or order issued under the Act.

17. Moreover, S.C. Code Ann. § 35-1-411(d) provides that:

The records of . . . an investment adviser registered or required to be registered under [the Act] are subject to such reasonable periodic, special, or other audits or inspections by a representative of the Securities Commissioner, within or without this State, as the Securities Commissioner considers necessary or appropriate in the public interest and for the protection of investors.

18. Pursuant to Rule 13-503:

Any prospectus, pamphlet, circular, form letter, advertisement, sales literature, or other advertising relating to a security or investment advice regarding securities, addressed or intended for distribution to prospective investors, including clients or prospective clients of a person registered as an investment adviser, under [the Act], must be filed with the Securities Commissioner at least ten (10) business days prior to use in this State.

19. Rule 13-502(A)(22) provides that any violation of the Act or a statute or rule promulgated under the Act may be considered dishonest or unethical behavior and may subject an investment adviser or investment adviser representative to sanctions, including revocation of registration. Moreover, Rule 13-502(B) specifically provides that engaging in conduct such as non-disclosure or incomplete disclosure shall also be grounds for denial, suspension or revocation of an investment adviser or investment adviser representative registration.

20. Pursuant to S.C. Code Ann. § 35-1-412(b), if the Securities Commissioner finds that the order is in the public interest and subsection (d) of § 35-1-412 authorizes the action, an order under the Act may revoke, suspend, condition, or limit the registration of a registrant.

21. 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) of § 35-1-412 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.

22. Pursuant to S.C. Code Ann. § 35-1-412(d), a person who:

(2) wilfully violated or wilfully failed to comply with this chapter or the predecessor chapter or a rule adopted or order issued under this chapter or the predecessor chapter within the previous 10 years; [or]

...
(8) refuses to allow or otherwise impedes the Securities Commissioner from conducting an audit or inspection under Section 35-1-411(d) or refuses access to a registrant's office to conduct an audit or inspection under Section 35-1-411(d);

may be disciplined under S.C. Code Ann. § 35-1-412(a) or (c).

23. Pursuant to S.C. Code Ann. § 35-1-412(g), an order may not be issued under that section, except under S.C. Code Ann. § 35-1-412 (f), without:

- (1) appropriate notice to the applicant or registrant;
- (2) opportunity for hearing; and
- (3) findings of fact and conclusions of law in a record.

REQUEST FOR AN ORDER REVOKING RESPONDENTS' REGISTRATION

WHEREAS, Respondents' failure to comply with requests for documents violates the Act; and

WHEREAS, Respondents' use of advertising not previously filed with the Division pursuant to South Carolina Rule 13-503 violates the Act; and

WHEREAS, it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to seek to revoke all registrations of the Respondents in the State of South Carolina;

NOW THEREFORE, the Division requests that the Commissioner grant the following relief against Respondents:

- a. Pursuant to S.C. Code Ann. § 35-1-412(c), permanently bar Respondents from conducting securities business in the state of South Carolina; and
- b. Pursuant to S.C. Code Ann. § 35-1-412(b), revoke the Respondents' investment adviser and investment adviser representative registrations; and
- c. Pursuant to S.C. Code Ann. § 35-1-412(c), order each Respondent to pay an administrative fine in an amount not exceeding ten thousand and no/100 (\$10,000.00) dollars for each violation of the Act and each violation of any rule or order promulgated by the Commissioner; and
- d. Order any other relief that the Commissioner deems appropriate.

NOTICE AND OPPORTUNITY FOR A HEARING

NOTICE is hereby given that Respondents shall each have thirty (30) days from the date of receipt of this Notice of Intent 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. In the written Answer, a 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. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

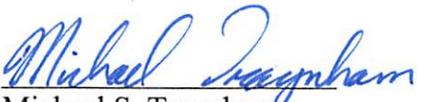
Within fifteen (15) days of receipt of a written notice requesting a hearing, this matter will be scheduled for a hearing. A Respondent may then appear, with or without the assistance of an attorney, at the hearing to present testimony, evidence, and argument relating to the matters

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 APS' Investment Adviser registration and Respondent Rippy's Investment Adviser Representative registration may be entered in this proceeding with no further notice.

By seeking to issue an order revoking Respondent APS' Investment Adviser registration and Respondent Rippy's Investment Adviser Representative registration, the Division is not waiving any rights it may have to pursue additional remedies available to it for the above or other violations of the Act committed by Respondents.

Executed and entered, this the 3rd day of June, 2010.

SOUTH CAROLINA OFFICE OF THE
ATTORNEY GENERAL

By: 
Michael S. Traynham
Assistant Attorney General
Securities Division
Post Office Box 11549
Columbia, South Carolina 29211
(803) 734-4731