

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

IN THE MATTER OF:

Dback Capital, Inc., and  
Kenneth Edward Shelton,

Respondents.

CONSENT ORDER

File No. 2016344

**I. PRELIMINARY STATEMENT**

This Consent Order is entered into between the Securities Division of the Office of the Attorney General of South Carolina (the “Division”), and Dback Capital, Inc. (“Dback”), and Kenneth Edward Shelton (“Shelton”) (collectively, the “Respondents”) in order to resolve the allegations against them set forth in the Order to Cease and Desist issued under Matter No. 2016344<sup>1</sup> (the “Order to Cease and Desist”), which alleged that certain conduct of the Respondents and others violated the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”).

Without admitting or denying the findings of fact and conclusions of law set forth in the Order to Cease and Desist, except as to the jurisdiction of the Securities Commissioner of South Carolina (the “Securities Commissioner”) over them and the subject matter of this proceeding, which are admitted, the Respondents expressly consent to the entry of this Consent Order, which

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<sup>1</sup> *In the matter of Intertech Solutions, Inc. (f/k/a Amwest Imaging, Inc.) Dback Capital Inc., Sddmf, Inc., Cielo, LLC, 12 Pence Consulting, LLC, Robert McIntosh, David M. Naylor, Kenneth Edward Shelton, Joel C. Duncan, Daniel Thomas Broyles, Sr., William Roth (a/k/a Bill Roth, a/k/a Billy Roth, a/k/a Al Green), and Craig Wiita – Order to Cease and Desist, Matter No. 20163015 (April 22, 2019) (<http://2hsvz0174ah31vgcm16peuy12tz.wpengine.netdna-cdn.com/wp-content/uploads/2019/04/01951181.pdf>).*

resolves the allegations against them set forth in the Order to Cease and Desist. The Respondents elect to waive permanently any right to a hearing and appeal under S.C. Code Ann. § 35-1-609, with respect to this Consent Order.

## **II. JURISDICTION**

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

## **III. FINDINGS OF FACT**

2. Dback was a non-resident for-profit company with its principal place of business at 13601 Preston Road, Suite 548, Dallas, Texas 75240, and 4440 Sigma Road STE 125 Dallas, TX 75244-4500.

3. Shelton is a non-resident with a last known address of 3408 Wentwood Drive, Dallas, Texas 75225.

4. Shelton was the owner and president of Dback. Upon information and belief, Dback is no longer in business.

5. The allegations set forth in the Order to Cease and Desist are incorporated herein by reference. Respondents explicitly deny the allegations set forth in the Order to Cease and Desist.

6. On April 25, 2019, a final judgment was entered by consent against Respondent Shelton, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a)(2) of the Securities Act of 1933 ("Securities Act") and Section 15(a)(1) of the Exchange Act in the civil action entitled Securities and Exchange Commission v. Duke, et al., Civil Action Number 3:19-CV-00857-B. in the United States District Court for the Northern District of Texas.

7. The final judgment of the District Court included the following provisions:

[Shelton is] permanently restrained and enjoined from directly or indirectly, including, but not limited to, through any entity owned or controlled by any of them, soliciting any person or entity to purchase or sell any security . . .

[In addition, he is] permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock being any equity security that has a price of less than five dollars, except as provided in Exchange Act Rule 3a51-1 . . . Defendant Shelton is liable for disgorgement of \$760,577.20, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$30,882.46 . . . [and] Defendant Shelton is liable for a civil penalty in the amount of \$150,000.00 . . .

*Id.*

8. On May 22, 2019, Shelton and the Securities and Exchange Commission entered into a Settlement agreement wherein the SEC resolved In the Matter of Kenneth Edward Shelton, Administrative Proceeding File No. 3-19177. The Agreement included the following provisions:

Accordingly, it is hereby ORDERED, pursuant to Section 15(b)(6) of the Exchange Act, that Respondent be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

*Id.*

#### IV. ORDER

The Securities Commissioner finds this Consent Order to be in the public interest.

Accordingly, it is hereby ORDERED that:

- A. The Respondents and every agent, servant, and employee of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondents **CEASE AND DESIST** from transacting business in this State in violation of the Act;

- B. The Respondents expressly consent and agree that they are **PERMANENTLY BARRED** from seeking registration as a broker-dealer, agent, investment adviser, or investment adviser representative in the State of South Carolina;
- C. The Respondents will pay a civil penalty in the amount of ten thousand dollars (\$10,000), for violations of the Act. Payment of this penalty is held in abeyance and will be satisfied upon payment of \$10,000 toward the disgorgement ordered by the court in SEC v. Duke, et al., supra.

As part of this Consent Order the Respondents agree that they: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order or creating the impression that this Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that the Respondents do not admit the allegations of this Consent Order, or that this Consent Order contains no admission of the allegations, without also stating that the Respondents do not deny the allegations. If the Respondents breach this agreement, the Securities Commissioner may vacate this Consent Order. Nothing in this paragraph affects the Respondents': (i) testimonial obligations or (ii) right to take differing legal or factual positions in litigation or other legal proceedings.

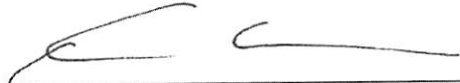
This Consent Order should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to investors as a result of the activities detailed in the Order to Cease and Desist, or (iii) other causes of action that may result from activities of the Respondents detailed in the Order to Cease and Desist.

IT IS SO ORDERED this 27 day of July, 2020.

By:   
Alan Wilson

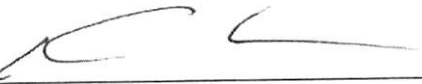
Securities Commissioner  
State of South Carolina

Respondent Kenneth Edward Shelton:

By:   
Kenneth Edward Shelton

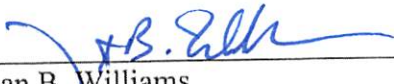
Date: 6-29-2020

Respondent Dback Capital, Inc.:

By:   
Kenneth Edward Shelton

Date: 6-29-2020

South Carolina Attorney General's Office Securities Division:

By:   
Jonathan B. Williams  
Assistant Deputy Attorney General

Date: 6/29/20