

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

)	
)	
IN THE MATTER OF:)	
)	CONSENT ORDER
James E. Montgomery; and the Alice and Marie Investment Club, LLC;)	Matter No. 20241989
)	
Respondents.)	
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I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. §35-1-101, *et seq.* and the regulations and rules promulgated thereunder (collectively, the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of James E. Montgomery (“Montgomery”) and Alice and Marie Investment Club, LLC (the “Investment Club”) (collectively, the “Respondents”), and in connection with its investigation, the Division has determined that the Respondents violated the Act.

Without admitting or denying the Findings of Fact and Conclusions of Law set forth below, except as to the jurisdiction of the Securities Commissioner over the Respondents and the subject matter of this proceeding, which are admitted, the Respondents, having been advised of their right to counsel, expressly consent to the entry of this Consent Order, which resolves the allegations against them set forth herein, and in the June 25, 2025, Order to Cease and Desist issued by the

Division (the “Cease and Desist Order”).¹ 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. RELEVANT PERIOD

2. Except as otherwise expressly stated, the conduct described herein occurred between approximately January 1, 2020, and the present (the “Relevant Period”).

IV. RESPONDENTS

3. Montgomery is a resident of the State of South Carolina. Montgomery has never been registered with the Division in any capacity.

4. The Investment Club is an incorporated entity owned and operated by Montgomery. The Investment Club is located in North Augusta, South Carolina. The Investment Club has never been registered with the Division in any capacity.

V. FINDINGS OF FACT

5. During the Relevant Period, Montgomery received funds from investors to invest in the stock market on their behalf via the Investment Club.

6. Montgomery retained sole control over the funds invested by investors of the Investment Club.

7. The Division is aware of at least one South Carolina investor (“Investor A”) who invested with the Investment Club in January 2020.

¹ In the matter of: James E. Montgomery; and the Alice and Marie Investment Club, LLC; Respondents. Order to Cease and Desist - (6/25/2025) (<https://www.scag.gov/media/cwrdzxky/montgomery-alice-marie-inv-club-cease-and-desist-order-final.pdf>).

8. During the Relevant Period, Investor A would occasionally receive a spreadsheet showing the alleged investments and account balances for Investor A's account. These account statements appeared to be from Montgomery, not from a registered custodian.

9. Investor A was not aware of anyone other than Montgomery who had access to Investor A's investment account or funds.

10. Beginning in early 2021, Montgomery ceased communication with Investor A.

11. Montgomery filed for bankruptcy under Chapter 13 of the Bankruptcy Code on February 22, 2024.² The Bankruptcy Trustee filed the Final Report and Account on January 7, 2025.

VI. CONCLUSIONS OF LAW

12. Paragraphs 1 through 11 are incorporated by reference as though fully set forth herein.

13. Pursuant to S.C. Code Ann. § 35-1-102(4), a "broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for the person's own account.

14. By engaging in the business of effecting transactions in securities for the account of others, the Investment Club acted as a broker-dealer as defined by S.C. Code Ann. § 35-1-102(4).

15. Pursuant to S.C. Code Ann. § 35-1-102(2), an "agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities.

² In re James E. Montgomery, Case No. 24-00647-HB.

16. Regardless of his status as the owner of the Investment Club, by representing the Investment Club in effecting or attempting to effect purchases or sales of securities, Montgomery acted as an agent of a broker-dealer.

17. Pursuant to S.C. Code Ann. §§ 35-1-401 and 35-1-402, it is unlawful for a person to transact business in South Carolina as a broker-dealer or agent unless the person is registered with the Division as a broker-dealer or agent or is exempt from registration.

18. The Respondents transacted business in South Carolina as a broker-dealer and agent without being registered as such or without a valid exemption from registration, in violation of the Act.

19. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to (1) employ a device, scheme, or artifice to defraud, (2) make an untrue statement of 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.

20. The Respondent, in connection with the offer, sale, or purchase of a security, directly or indirectly employed a device, scheme, or artifice to defraud; made an untrue statement of a material fact or omitted a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon the investors, in violation of the Act.

21. Each violation of S.C. Code Ann. §§ 35-1-401, 35-1-402, and 35-1-501 is a separate violation of the Act.

22. The Respondents' violations of the Act set forth above provide the basis for this Order, pursuant to S.C. Code Ann. § 35-1-604.

23. This Order is appropriate and in the public's interest, pursuant to the Act.

VII. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Each of the Respondents and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of each of the Respondents shall **CEASE AND DESIST** transacting business in this State in violation of the Act; and
- b. The Respondents have agreed to pay \$2,865.00 in restitution to Investor A in fourteen monthly installment payments of \$200, and one additional payment of \$65.00. The first payment is due on the first day of the month after the execution of this Consent Order, and the monthly payments will continue on the first of each month thereafter.
- c. The Respondents shall jointly and severally pay a civil penalty in the amount of \$30,000.00. In light of the Respondents' remedial efforts, this civil penalty is hereby **SUSPENDED**.
- d. In the event of default, the Securities Commissioner will, in his discretion, have the ability to vacate this Consent Order, and the Order to Cease and Desist will be reinstated and be a final order by operation of law. In addition, the Division

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will have the ability to pursue further action, including, but not limited to, the relief provided in S.C. Code Ann. Section 35-1-604(g).

Upon execution by the Securities Commissioner, this Consent Order resolves Matter Number 20241989 as to the Respondents.

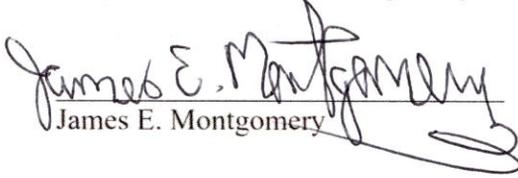
As part of this Consent Order, the Respondents agree that they: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order; or creating the impression that this Consent Order is without factual basis; and (ii) will 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 the agreement set forth in this paragraph, 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) private cause of action that may have accrued to investors as a result of the activities detailed herein, or (ii) other causes of action that may result from the activities of a Respondent not detailed in this Consent Order.

ENTERED, this 2 day of March, 2026.

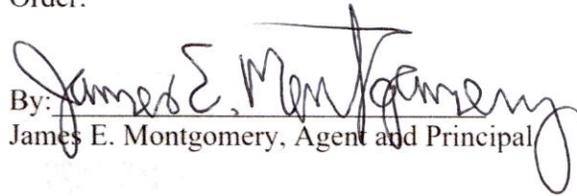

ALAN WILSON
Securities Commissioner
State of South Carolina

Respondent James E. Montgomery consents to the terms of the above Consent Order:


James E. Montgomery

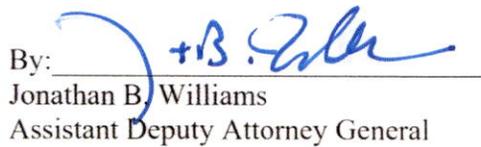
Date: 02-14-2026

Respondent Alice and Marie Investment Club, LLC consents to the terms of the above Consent Order:

By: 
James E. Montgomery, Agent and Principal

Date: 02-14-2026

The Securities Division of the Office of the South Carolina Attorney General consents to the above Consent Order:

By: 
Jonathan B. Williams
Assistant Deputy Attorney General

Date: 2/26/26