

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

IN THE MATTER OF:)	
)	ORDERS
Kelly Malone,)	
Eugene Royals, and)	
Coastline Group, LLC)	
)	Case No. 09083
Respondents,)	
_____)	

This matter was heard on September 22, 2011, in the Office of the Attorney General for the State of South Carolina, Securities Division.

Warren V. Ganjehsani presided as Hearing Officer and issued a Report and Recommendation (the "Report") dated January 9, 2012. The Report sets forth Findings of Fact and Conclusions of Law in the above-captioned matter.

As Securities Commissioner, I adopt the Report's Findings of Fact and Conclusions of Law.

NOW THEREFORE, based on my Findings of Fact and Conclusions of Law, IT IS HEREBY ORDERED THAT:

- (1) Coastline Group, LLC ("Coastline"), Kelly Malone ("Malone"), and Eugene Royals ("Royals"), (2) every successor, affiliate, control person, agent, servant, and employee of Coastline, Malone, and Royals, and (3) every entity owned, operated, or indirectly or directly controlled by or on behalf of Coastline, Malone, and Royals:
 - a. Immediately cease and desist from transacting business in this State in

violation of the South Carolina Uniform Securities Act, specifically, S.C.

CODE ANN. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501; and

- b. Cease and desist from (i) soliciting new accounts in or from South Carolina; (ii) offering any other securities in or from South Carolina, and (ii) collecting fees in or from South Carolina.

(2) Coastline pay a civil penalty in the amount of \$20,000.00 (twenty thousand dollars), consisting of separate penalties of \$10,000.00 each for the two violations set forth in the Report, in addition to \$5,000.00 (five thousand dollars) in investigative costs;

(3) Malone pay a civil penalty in the amount of \$4,000.00 (four thousand dollars), consisting of separate penalties of \$2,000.00 each for the violations set forth in the Report, in addition to half the actual cost of the Securities Division's investigation and costs of this proceeding;

(4) Royals pay a civil penalty in the amount of \$4,000.00 (four thousand dollars), consisting of separate penalties of \$2,000.00 each for the violations set forth in the Report, in addition to half the actual cost of the Securities Division's investigation and costs of this proceeding;

(5) The Securities Division prepare an affidavit setting forth all costs associated with its investigation and all expenses incurred over the course of this proceeding.

IT IS FURTHER ORDERED that the ORDERS set forth herein are effective immediately.

AND IT IS SO ORDERED.



Alan Wilson
South Carolina Securities Commissioner

March 21, 2012