

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

**IN THE MATTER OF:** )  
 )  
**Lawrence S. Cowan a/k/a Lawrence S.** )  
**Cowan, Jr. a/k/a Larry Cowan; and** )  
**Imeritus SPX, LLC f/k/a Imeritus XPS,** )  
**LLC, f/k/a Imeritus Brokerage and** )  
**Financial Advisory, LLC,** )  
 )  
**Respondents.** )  
\_\_\_\_\_ )

**ORDER TO CEASE AND DESIST**

**Matter No. 20186600**

**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 Lawrence S. Cowan a/k/a Lawrence S. Cowan, Jr. a/k/a Larry Cowan (“Cowan”) and Imeritus SPX, LLC f/k/a Imeritus XPS, LLC f/k/a Imeritus Brokerage and Financial Advisory, LLC (“Imeritus”) (collectively, the “Respondents”), and in connection with its investigation, the Division has determined that the Respondents violated the Act.

**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, 2017, through the present (the “Relevant Period”).

### **IV. RESPONDENTS**

3. Cowan was a resident of Georgia during the Relevant Period. Cowan has never been registered with the Division in any capacity.

4. Imeritus was incorporated in Georgia on February 21, 2017.<sup>1</sup> Cowan was the organizer of Imeritus, and he was its registered agent. Imeritus was administratively dissolved on September 7, 2018. Imeritus has never been registered with the Division in any capacity.

### **VI. FINDINGS OF FACT**

5. Cowan held himself out as an experienced businessman who made profitable trades in stocks, bonds, options contracts, futures contracts, and foreign exchange (“FOREX”) trades. He claimed to use a trading platform that his company, Imeritus, had developed to effectuate advantageous transactions for clients of the Respondents.

6. During the Relevant Period, Cowan approached three South Carolina investors (the “Investors”) with the promise of using his experience as a “trader” and the platform developed by his company to make the Investors money.

7. Specifically, Cowan claimed that the Respondents could take a \$10,000 investment and return \$16,000 to the Investors in six months. He also promised that 10% of their investment would be returned to the Investors every month.

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<sup>1</sup> Imeritus XPS, LLC, which was incorporated in Georgia on February 21, 2017, changed its name to Imeritus SPX, LLC a week later, on March 1, 2017. Imeritus Brokerage and Financial Advisory, LLC was incorporated in Georgia in 2012 and administratively dissolved on February 16, 2016.

8. In various transactions over several months, the Investors transferred at least \$58,000 to Cowan.

9. In order to facilitate additional infusions of money, Cowan transferred some money back to the Investors, which he claimed were returns from the trading activity of the Respondents. In fact, the Division found no evidence of trading activity, and it appears that Cowan was transferring some investor money back to the Investors. In one instance, one of the Investors transferred \$10,000 to Cowan who immediately took the money and transferred \$6,300 to another of the Investors on the same day. In this way, Cowan was operating a Ponzi scheme to defraud the Investors.

10. The Investors transferred at least \$58,000 to the Respondents.

11. The Respondents returned just \$15,800 to the Investors.

12. During the Relevant Period, Cowan simply stopped responding to the Investors' attempts to contact him. Cowan also failed to respond to communications made by an attorney retained by the Investors.

### **Division Subpoenas**

13. As part of its investigation, the Division has sent multiple subpoenas to Cowan to appear for testimony and produce records.

14. Cowan has failed to comply with the subpoenas propounded by the Division.

15. The Division has never received the demanded records from the Respondents, and Cowan failed to appear for testimony.

## **VII. CONCLUSIONS OF LAW**

16. Paragraphs 1 through 15 are incorporated by reference as though fully set forth herein.

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

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

19. Pursuant to S.C. Code Ann. § 35-1-401 and § 35-1-402, it is unlawful for a person or an individual to transact business in this State as a broker-dealer or as an agent unless the person or individual is registered as a broker-dealer or as an agent or is exempt from registration under the Act.

20. The Respondents violated the Act by engaging in activities in this State as a broker-dealer and/or as an agent and were neither registered with the Division nor exempt from registration.

21. 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 (1) to employ a device, scheme, or artifice to defraud; (2) to make an untrue statement of a 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.

22. The Respondents, 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.

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

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

25. This Order is appropriate and in the public interest, pursuant to the Act.

#### **VIII. 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** from transacting business in this State in violation of the Act; and
- b. The Respondents shall jointly and severally pay to the Division a civil penalty of ninety thousand dollars (\$90,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority

resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by the Respondent(s).

#### **IX. NOTICE OF OPPORTUNITY FOR HEARING**

Each of the Respondents is hereby notified that it has the right to a formal hearing on the matters contained herein. To schedule a hearing, a Respondent must file with the Division within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If any Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a written request, will schedule a hearing for that Respondent. The written request shall be delivered to the Office of the Attorney General, 1000 Assembly Street, Columbia, South Carolina 29201, or mailed to the Office of the Attorney General, Attention: Securities Division, P.O. 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 the specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, the Respondent shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure by a Respondent to file an Answer, including a request for a hearing, shall result in this Order's becoming final by operation of law. The regulations governing the hearing process can be found at S.C. Code of Regulations § 13-604.

This Order does not prevent the Division or any agency from seeking additional remedies as are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

**ENTERED**, this the 22<sup>nd</sup> day of May 2025.

ALAN WILSON  
SECURITIES COMMISSIONER

By:   
JONATHAN B. WILLIAMS  
Assistant Deputy Attorney General