

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

<b>IN THE MATTER OF:</b>	)	
	)	<b>SUMMARY SUSPENSION</b>
<b>Robert W. Denton,</b>	)	
<b>CRD # 1241683</b>	)	<b>File No. 14028</b>
	)	
<u>Respondent.</u>	)	

**WHEREAS**, the Securities Division of the Office of the Attorney General of the State of South Carolina has been authorized and directed by the Securities Commissioner of South Carolina (the “Securities Commissioner”) to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”); and

**WHEREAS**, pursuant to S.C. Code Ann. § 35-1-412(f), the Securities Commissioner may summarily suspend a respondent’s registration before the final determination of an administrative proceeding;

**NOW THEREFORE**, upon due consideration of the subject matter contained in a related administrative proceeding under the Act having the same file number, 14028, and having reason to believe that Respondent violated certain provisions of the Act and the Rules promulgated thereunder;

**IT IS HEREBY ORDERED** that, pursuant to S.C. Code Ann. § 35-1-412(f), the broker-dealer agent registration of Respondent Robert W. Denton has been and is **SUMMARILY SUSPENDED**. This suspension will remain in effect pending resolution of the related proceeding.

**NOTICE AND OPPORTUNITY FOR A HEARING**

Pursuant to S.C. Code Ann. § 35-1-412(f), Respondent is hereby given notice that he may request a hearing on the summary suspension by giving written notice to Thresechia Navarro, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina 29211-1549. In the event such a hearing is requested, within fifteen (15) business days after the receipt of a written request the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the Securities Commissioner

within 30 days after the date of service of the order, the order becomes final by operation of law and will remain in effect until it is modified or vacated in accordance with the Act.

**ENTERED**, this the 2<sup>nd</sup> day of July, 2014.  
Columbia, South Carolina

ALAN WILSON  
SECURITIES COMMISSIONER

BY: Tracy Meyers  
TRACY A. MEYERS  
Deputy Securities Commissioner

**ISSUANCE REQUESTED BY:**

By: Emily S. Cheatham  
EMILY S. CHEATHAM  
Assistant Attorney General  
Securities Division  
Rembert C. Dennis Building  
1000 Assembly Street  
Columbia, SC 29201

**ADMINISTRATIVE PROCEEDING**

**BEFORE THE**

**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

<b>IN THE MATTER OF:</b>	)	
	)	<b>RULE TO SHOW CAUSE</b>
<b>Robert W. Denton,</b>	)	
<b>CRD # 1241683</b>	)	<b>File No. 14028</b>
	)	
<u>Respondent.</u>	)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), has been authorized and directed by the Securities Commissioner of South Carolina (the "Securities Commissioner") to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the "Act"); and

WHEREAS, the Division alleges the following:

**I. JURISDICTION**

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

**II. RESPONDENT**

2. Respondent Robert W. Denton is a South Carolina citizen with a last known address of 1011 Wando Street, Columbia, South Carolina, 29205.

**III. FACTUAL BACKGROUND**

3. Denton, who held both Series 6 and Series 63 Securities Licenses that were issued by the Financial Industry Regulatory Authority ("FINRA"), was formerly employed by Capital Investment Group, Inc., and was registered with the Division between 1986 and 2014.
4. In the years leading up to 2012, Denton, a registered Insurance Producer, sold a life insurance policy to a resident of the State of South Carolina (the "Investor").
5. The Investor, a senior citizen who was disabled and whose health was deteriorating, utilized Denton for most of his insurance needs.

6. The Investor named his wife as beneficiary of his life insurance policy, which had a death benefit of two hundred and fifty thousand dollars (\$250,000).
7. The Investor's wife passed away on March 7, 2012.
8. The Investor then called Denton to change the beneficiary on his life insurance policy.
9. As a result of this request, Denton brought a form for Investor to sign, which the Investor did in fact sign, on or around April 30, 2012.
10. Due to their many years of friendship and their ongoing professional relationship, Investor had placed his utmost trust and confidence in Denton.
11. The Investor, due to his deteriorating health, was in a lot of pain which required him to take several controlled substances. Unbeknownst to Investor, and against his intention and wishes, the form that the Investor signed while in poor health made Denton the new beneficiary of Investor's life insurance policy.

#### **IV. APPLICABLE LAW**

12. The Act governs the offer and sale of securities in the State of South Carolina.
13. 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) authorizes the action, an order issued under the Act may revoke, suspend, condition, or limit (to include permanent bar) the registration of a registrant.
14. Pursuant to S.C. Code Ann. § 35-1-412(d), a person may be disciplined under subsection (a) through (c) if the person: (13) has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years.
15. Pursuant to S.C. Code Ann. § 35-1-412(d)(2), the Securities Commissioner may issue an order under § 35-1-412(c) if a Respondent wilfully violated or wilfully failed to comply with the Act or a rule adopted or order issued under the Act in the previous ten (10) years.
16. In engaging in the behavior listed in paragraphs 1-11 above, Respondent engaged in a dishonest or unethical practice in the securities, commodities, investment, franchise, banking, finance, or

insurance business, and this dishonest or unethical practice occurred within the previous ten (10) years, in violation of S.C. Code Ann. § 35-1-412(d)(13).

#### V. CONCLUSION

17. Based on the foregoing facts and applicable law, Respondent should be censored and fined for his violation of the Act, as set forth above.

**NOW THEREFORE**, it is hereby **ORDERED**, Respondent **SHOW CAUSE**, if any there be, why the Securities Commissioner should not enter an Order, pursuant to S.C. Code Ann. § 35-1-412(c) imposing the following sanctions on Respondent:

- a. Censuring Respondent for his violation of the Act described above;
- b. Imposing a fine of Ten Thousand Dollars (\$10,000) on Respondent; and
- c. Issuing a permanent bar from engaging in the securities business in the State of South Carolina.

#### NOTICE AND OPPORTUNITY FOR A HEARING

Respondent is hereby notified that he has thirty (30) days from the date of this Rule to Show Cause to file an answer and, if desired, a request for a hearing on the matters contained herein. Such documents should be filed with Thresechia Navarro, Securities Division, Post Office Box 11549, Columbia, South Carolina 29211. In his written Answer, Respondent shall admit or deny each factual allegation in this Rule to Show Cause, and set forth any specific facts, laws, and/or affirmative defenses which Respondent relies upon. If Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

In the event an answer and written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an order imposing the sanctions set forth above shall be issued against Respondent.

Respondent is further notified that by seeking the issuance of an order imposing the sanctions set forth above, the Division is not waiving any rights it may have to pursue additional remedies available to it for violations of the Act committed by Respondent.

ENTERED, this the 2<sup>nd</sup> day of July, 2014.

ALAN WILSON  
SECURITIES COMMISSIONER

BY: Tracy A. Meyers  
TRACY A. MEYERS  
Deputy Securities Commissioner

**ISSUANCE REQUESTED BY:**

By: Emily S. Cheatham  
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