

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)	ORDER AND
)	RULE TO SHOW CAUSE
KPM Financial, LLC,)	
IARD# 171012,)	Case No. 20175785
)	
<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 KPM Financial, LLC (the “Respondent” or “KPM”) is a corporation registered in the State of South Carolina and located at 11 Ossabaw Loop, Simpsonville, South Carolina 29681.

3. The Respondent is currently registered as an investment adviser with the Division and has been registered as such since June 4, 2014.

4. The Respondent’s Investment Adviser Registration Database (“IARD”) identifying number is 171012.

III. Factual Background

5. On or about January 27, 2017, the Division requested information from the Respondent pursuant to S.C. Code Ann. § 35-1-411(d) (the “Request for Information”).

6. The Division requested a response to the Request for Information by on or before March 31, 2017.

7. The Respondent failed to timely respond to the Request for Information.

8. On or about June 23, 2017, the Division reiterated the Request for Information to the Respondent.

9. The Respondent partially complied with the Request for Information but failed to provide all information requested.

10. The Division sent further reminders to the Respondent on or about July 28, 2017, August 18, 2017, September 13, 2017, September 18, 2017, and September 21, 2017.

11. To date, the Respondent has failed to fully comply with the Request for Information.

12. The Respondent's continued failure to provide its answer to the Request for Information is impeding the Division's inspection.

IV. Applicable Law

13. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.* (the "Act"), governs the offer of, sale of, and rendering of investment advice related to securities within the State of South Carolina.

14. Pursuant to S.C. Code Ann. § 35-1-411(d), the Securities Commissioner or his designee may inspect the records of an investment adviser registered with the Division.

15. Pursuant to S.C. Code Ann. § 35-1-412(c), if the Securities Commissioner finds that the order is in the public interest and subsection (d)(1) through (6), (8), (9), (10), (12), or (13) authorizes the action, an order under the Act may censure, impose a bar, and/or impose a civil penalty in an amount not to exceed ten thousand dollars (\$10,000) for each violation on a registrant.

16. Pursuant to S.C. Code Ann. § 35-1-412(d)(8), impeding an inspection of the Securities Commissioner under S.C. Code Ann. § 35-1-411(d) authorizes an order pursuant to S.C. Code Ann. § 35-1-412(c).

V. Order

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that the Respondent shall fully comply with the Request for Information within ten (10) days of the date of this Order; and

IT IS FURTHER ORDERED that the 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), revoking the Respondent's investment adviser registration and imposing a fine not to

exceed ten thousand dollars (\$10,000) on the Respondent for impeding the Division's inspection under S.C. Code Ann. § 35-1-411(d).

NOTICE AND OPPORTUNITY FOR A HEARING

The Respondent is hereby notified that it has thirty (30) days from the date of this Order and 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 Melanie Cain, Securities Division, Post Office Box 11549, Columbia, South Carolina, 29211-1549. In its written Answer, the Respondent shall admit or deny each factual allegation in this Order and Rule to Show Cause and set forth specific facts, laws, and/or 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, 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 revoking the Respondent's investment adviser registration and imposing a fine not to exceed ten thousand dollars (\$10,000) on the Respondent will be entered in this proceeding with no further notice.

The Respondent is further notified that by seeking the issuance of an order assessing an appropriate fine, the Division is not waiving any rights it may have to pursue additional remedies available to it for violations of the Act committed by the Respondent not enumerated herein.

ENTERED, this the 11th day of October, 2017.

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:

Taylor Faw

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