

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

IN THE MATTER OF:)	
)	
OBSIDIAN FINANCIAL)	RULE TO SHOW CAUSE
GROUP, LLC)	
CRD # 104255,)	
)	File Number 13099
<u>Respondent</u>)	

WHEREAS, Respondent Obsidian Financial Group, LLC (“Respondent” or “Obsidian”) CRD #104255, at all times material herein, was and currently is registered with the State of South Carolina as a broker-dealer pursuant to S.C. Code Ann. § 35-1-406; and

WHEREAS, the Financial Industry Regulatory Authority (“FINRA”) is a self-regulatory organization and, during the relevant time period, Respondent was a member of FINRA; and

WHEREAS, on or about July 11, 2013, FINRA, pursuant to FINRA Rule 9552(f), suspended Obsidian’s registration for Obsidian’s failure to file its May 2013 FOCUS Report; and

WHEREAS, on or about October 16, 2013, FINRA expelled Obsidian for its failure to request termination of suspension, which is grounds for automatic expulsion pursuant to FINRA Rule 9552(h); and

WHEREAS, the Securities Commissioner of the State of South Carolina (“Commissioner”) has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a); and

WHEREAS, § 35-1-412(b) authorizes the Securities Commissioner to issue an order revoking, suspending, conditioning, or limiting the registration of a registrant if the

WHEREAS, § 35-1-412(b) authorizes the Securities Commissioner to issue an order revoking, suspending, conditioning, or limiting the registration of a registrant if the Commissioner finds that the order is in the public interest and subsection (d) of § 35-1-412 authorizes the action; and

WHEREAS, § 35-1-412(c) authorizes the Securities Commissioner to issue an order censuring, barring, or imposing a civil penalty in an amount not to exceed \$10,000 for each violation, on a registrant, if the Commissioner finds that the order is in the public interest and subsection (d) of § 35-1-412 authorizes the action; and

WHEREAS, § 35-1-412(d)(5)(C) of the Securities Act states that a person who:

is the subject of an order, issued after notice and opportunity for hearing [by] the Securities and Exchange Commission or a self-regulatory organization suspending or expelling the registrant from membership in the self-regulatory organization

is subject to discipline pursuant to S.C. Code Ann. §§ 35-1-412(a), (b), and (c); and

WHEREAS, FINRA, a self-regulatory organization, expelled the Respondent from membership in FINRA; and

WHEREAS, it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to revoke the Respondent's registration as a broker-dealer in the State of South Carolina and permanently bar Respondent from the securities and investment advisory business in the State of South Carolina.

ACCORDINGLY, IT IS HEREBY ORDERED that Respondent show cause why an order should not be issued against Respondent, revoking Respondent's broker-dealer registration and permanently barring Respondent from the securities and investment advisory business in the State of South Carolina; and

IT IS FURTHER ORDERED that Respondent's failure to file a written answer, including any request for a hearing, pursuant to S.C. Code Ann. §35-1-412(f), within thirty (30) days from the date of service of this Rule to Show Cause, shall be deemed a waiver by Respondent of the right to a hearing and result in the entry of a Final Order revoking Respondent's broker-dealer registration in the State of South Carolina and permanently barring Respondent from the securities and investment advisory business in the State of South Carolina.

Entered, this the 15th day of November, 2013.

SOUTH CAROLINA
SECURITIES DIVISION

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