

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:) **SUMMARY SUSPENSION OF**
) **INVESTMENT ADVISER**
Cody Neil Rogers (CRD #3068373),) **REPRESENTATIVE REGISTRATION**
)
Respondent.) **File Number 10065**

The Securities Division of the Office of the Attorney General (the "Division"), being authorized and directed to administer the provisions of Chapter 1, Title 35, Code of Laws of South Carolina, the South Carolina Uniform Securities Act of 2005 (the "Act"), upon due consideration of the subject matter contained in a related administrative proceeding under the Act and having reason to believe that the Respondent violated certain provisions of the Act and the Rules promulgated thereunder, does hereby notify Respondent that, pursuant to Section 35-1-412(f) of the Act, his registration as an investment adviser representative has been and is SUMMARILY SUSPENDED. This suspension will remain in effect pending resolution of the related proceeding.

In accordance with Section 35-1-412(f), NOTICE is hereby given that Respondent 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) days after the receipt of a written request the matter will be set down for hearing. Respondent may then appear, with or without the assistance of an attorney, at the hearing to present testimony, evidence and argument relating to the matters contained herein. In the event such written notice is not received, this Order remains in effect until it is modified or vacated by the Securities Commissioner or his designee.

BE ADVISED THAT, pursuant to Section 35-1-508 of the Act, a wilful violation of this Order may be punishable upon conviction by a fine, imprisonment, or both, in addition to any civil or administrative remedies imposed upon Respondent.

Entered, this the 14th day of July, 2011.

SOUTH CAROLINA OFFICE OF THE
ATTORNEY GENERAL

By: Tracy A. Meyers

Tracy A. Meyers
Senior Assistant Attorney General
Securities Division
Post Office Box 11549
Columbia, South Carolina 29211
(803) 734-4731

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

Cody Neil Rogers (CRD #3068373),

Respondent.

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**NOTICE OF INTENT TO REVOKE
INVESTMENT ADVISER
REPRESENTATIVE REGISTRATION
AND IMPOSE A PERMANENT BAR**

File Number 10065

The Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), under the authority of the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2010), upon due consideration of the subject matter herein and having reason to believe that Cody Neil Rogers ("Rogers" or "Respondent") should not be permitted to represent a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities and also should not be permitted to engage in the business of advising others as to the value of securities or the advisability of investing in, purchasing or selling securities, does hereby notify Respondent that the Division intends to seek the issuance of an order, pursuant to S.C. Code Ann. § 35-1-412, revoking Respondent's registration as an investment adviser representative and imposing a permanent bar preventing Respondent from engaging in securities business in or from the State of South Carolina. The Division hereby includes in this Notice of Intent to Revoke Investment Adviser Representative Registration and Impose a Permanent Bar ("Notice of Intent") a statement of the reasons for the order that is sought, a statement of the civil penalty sought, and notice that a hearing will be scheduled if Respondent requests a hearing.

INTRODUCTION

1. This matter involves Respondent's (1) overcharging and mischarging of clients, (2) creation of false client account statements, and (3) filing of false documents with the Securities Division.
2. Such actions by Respondent both constitute dishonest and unethical practices in the securities and investment business and otherwise violate the Act and, pursuant to S.C. Code Ann. § 35-1-412, form the basis for revocation of Respondent's investment adviser representative registration with the State of South Carolina, issuance of a permanent bar from engaging in securities business in or from the State of South Carolina, imposition of a civil penalty, and other sanctions as appropriate.

JURISDICTION

3. 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).

RESPONDENT

4. Respondent, at all times material herein, reportedly maintained a place of business at 53 Broad Street, Charleston, South Carolina 29401.
5. Respondent's filings with the Division indicate a home address of 858 Seafarer Way Charleston, South Carolina 29412.
6. Upon information and belief, Respondent is currently residing at 1411 South College Avenue, Tyler, Texas 75701.
7. Respondent, at all times material herein, was registered with the Division as an investment adviser representative.

FACTUAL STATEMENT

8. In or around October, 2010, the Division received a complaint involving Respondent and investments he recommended to Investors A and B in 2008.
9. In response to the complaint, the Division requested certain records from Respondent involving Investor A and B's account.
10. Following receipt of certain records concerning Investor A and B's account, Division staff requested copies of other client records, including copies of other client account statements.
11. On or around March 1, 2011, Respondent provided to Division staff a CD containing documents he represented to be copies of the requested client account statements.
12. Following review, Division staff determined certain of the documents provided by Respondent were not copies of the client account statements he represented them to be.
13. In fact, certain of the client statements provided by Respondent had alterations and/or missing or different information from that contained on the client account statements requested by the Division.
14. Many of the alterations on the account statements provided by Respondent appear to have been made to hide the fact Respondent's clients were overcharged management fees and/or were charged management fees before such management fees were due.
15. Based on the information above, it is appropriate, in the public interest, for the protection of investors, to issue an order revoking Respondent's investment adviser representative registration, and issuing a permanent bar and imposing a civil penalty upon Respondent.

APPLICABLE LAW

16. 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 under the Act may revoke, suspend, condition, or limit the registration of a registrant.

17. 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), or (12) and (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 \$10,000 for each violation on a registrant.
18. Pursuant to S.C. Code Ann. § 35-1-412(d), a person may be disciplined under subsections (a) through (c) if the person: ...
 - (2) willfully violated or willfully failed to comply with [the Act] or a rule adopted or order issued under [the Act]...
19. Pursuant to S.C. Code Ann. § 35-1-412(d), a person may be disciplined under subsections (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... .
20. Pursuant to S.C. Code Ann. § 35-1-412(g), an order may not be issued under S.C. Code Ann. § 35-1-412, except under S.C. Code Ann. § 35-1-412(f), without (1) appropriate notice to the applicant or registrant; (2) opportunity for hearing; and (3) findings of fact and conclusions of law in a record.
21. Pursuant to S.C. Code Ann. § 35-1-502, it is unlawful for a person that advises others for compensation as to the value of securities or the advisability of investing in, purchasing, or selling securities:
 - a. To employ a device, scheme, or artifice to defraud; or

- b. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.
22. Pursuant to S.C. Code Ann. § 35-1-505, it is unlawful for a person to make or cause to be made, in a record that is filed under the Act, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect.

REQUESTED RELIEF

The Division requests that the Commissioner grant the following relief against Respondent:

- a. Pursuant to S.C. Code Ann. § 35-1-412(b), revoke Respondent's investment adviser representative registration;
- b. Pursuant to S.C. Code Ann. § 35-1-412(c), permanently bar Respondent from conducting securities business in or from the State of South Carolina;
- c. Pursuant to S.C. Code Ann. § 35-1-412(c), order Respondent to pay a civil penalty in an amount not exceeding ten thousand and no/100 (\$10,000.00) dollars for each violation of the Act and each violation of any rule or order promulgated by the Commissioner; and
- d. Order any other relief that the Commissioner deems appropriate.

NOTICE AND OPPORTUNITY FOR A HEARING

NOTICE is hereby given that the Respondent shall have thirty (30) days from the date of receipt of this Notice of Intent to give written notice requesting a hearing on the matters contained herein to Thresechia Navarro, Securities Division, Post Office Box 11549, Columbia, South Carolina, 29211-1549. In the written Answer, Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth 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 Respondent is without knowledge or information sufficient

to form a belief as to the truth of an allegation, he shall so state.

Within fifteen (15) days of receipt of a written notice requesting a hearing, this matter will be scheduled for a hearing. Respondent may then appear, with or without the assistance of an attorney, at the hearing to present testimony, evidence, and argument relating to the matters contained herein. In the event such written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an order revoking Respondent's Investment Adviser Representative Registration and Imposing a Permanent Bar may be entered in this proceeding with no further notice.

By seeking to issue an order revoking Respondent's Investment Adviser Registration Representative Registration and Imposing a Permanent Bar, the Division is not waiving any rights it may have to pursue additional remedies available to it for the above or other violations of the Act committed by the Respondent.

Executed and entered, this the 14th day of July, 2011.

SOUTH CAROLINA OFFICE OF THE
ATTORNEY GENERAL

By: Tracy A. Meyers

Tracy A. Meyers
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