

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

<b>IN THE MATTER OF:</b>	)	<b>ORDER TO CEASE AND DESIST</b>
	)	
<b>Matthew J. Jones,</b>	)	<b>Matter No. 20163015</b>
<b>Respondent.</b>	)	
<hr/>	)	

**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 (the “Act”) and delegated to the Securities Division of the Office of the Attorney General (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Matthew J. Jones (“Jones” or the “Respondent”) and in connection with its investigation has determined that evidence exists to support the following findings of fact and conclusions of law:

**II. JURISDICTION**

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

**III. RESPONDENT**

2. Jones is a resident of the State of South Carolina with a last known address of 403 Concord Avenue, Anderson, South Carolina 29621.

**IV. FINDINGS OF FACT**

**Background**

3. On September 17, 2010, the Division issued a Cease and Desist Order against the Respondent for violations of the Act, including acting as an investment adviser representative without being registered with the Division and committing fraud through the conversion of investor money to personal use.

4. In June 2011, the Respondent was indicted by the Anderson County Grand Jury for securities fraud which resulted in the loss of more than \$20,000. On June 22, 2011, he

entered a plea of guilty to that charge and was sentenced to ten (10) years in prison, suspended on service of five (5) years of probation.<sup>1</sup>

The Respondent Again Violates the Act

5. Notwithstanding his prior conviction, the Respondent offered his services as an investment adviser representative on the TradeStation trading platform beginning in early 2016.

6. In response, a resident of the North Dakota (the “Investor”) hired Respondent to trade his account for him, giving him full discretion to enter trades on the Investor’s behalf.

7. The Respondent and the Investor entered into an “Investment Management Agreement” which called for the Respondent to receive a fee in the amount of fifty percent (50%) of any profits generated by his trading on the Investor’s behalf.

8. From at least March of 2016 to December of 2016, the Respondent traded in the Investor’s account.

9. From March of 2016 to December of 2016, the Respondent collected fees totaling \$89,929.27 from his trading on behalf of the Investor.

10. When the Investor inquired as to whether or not Jones needed to be registered in order to give investment advice, Jones falsely claimed that he did not.

**V. CONCLUSIONS OF LAW**

11. The Respondent acted as an investment adviser representative as defined by S.C. Code Ann. § 35-1-102(16).

12. The Respondent was not registered with the Division as an investment adviser representative as required by S.C. Code Ann. § 35-1-404(a), or exempt from such registration.

13. The Respondent’s violations of the Act set forth above provide the basis for this Order, pursuant to S.C. Code Ann. §35-1-604(a)(1).

14. This Order is in the public interest.

---

<sup>1</sup> *State of South Carolina v. Matthew Jones*, 2011-GS-04-00908.

## **VI. ORDER**

Pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Respondent Jones and every agent, servant, and employee of Jones, and every entity owned, operated, or indirectly or directly controlled by or on behalf of Jones **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301 and 35-1-501 thereof; and
- b. Respondent Jones pay a civil penalty in the amount of fifty thousand dollars (\$50,000.00) if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by the Respondent and the actual cost of the investigation or proceeding.

**IT IS FURTHER ORDERED** that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Division that the Respondent may claim to rely upon under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), has been and is **PERMANENTLY REVOKED**.

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

The Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Wanda Ealy, within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from that Respondent, will schedule a hearing for that Respondent.

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 of a Respondent to request a hearing shall result in this Order, including the stated civil penalty and any assessed costs, becoming final as to that Respondent by operation of law.

This Order does not prevent the Division, or any other agency, including, without limitation, civil and criminal law enforcement agencies, from seeking additional civil or criminal remedies that are available under the Act, including remedies related to the offers and sales of securities by the Respondent set forth above.

ENTERED, this the 31<sup>th</sup> day of August, 2018.

ALAN WILSON  
SECURITIES COMMISSIONER

By: Tracy Meyers  
TRACY A. MEYERS  
Deputy Securities Commissioner

STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND  
AFFIDAVIT OF COMPLIANCE  
File Number 20163015

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated August 27, 2018, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Matthew J. Jones  
403 Concord Ave.  
Anderson, SC 29621

Document(s): Order to Cease and Desist

Mailed August 27, 2018 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By: Wanda Ealy  
Wanda Ealy  
South Carolina Attorney General's Office  
Securities Division  
Post Office Box 11549  
Columbia, SC 29211-1549  
(803) 734-4731

Subscribed and sworn to before me on  
this 27<sup>th</sup> day of August, 2018.

Susan H. Ballinger  
Notary Public for South Carolina

My commission expires: 6/29/21

