STATE OF NORTH CAROLINA

Department of The Secretary of State

IN THE MATTER OF:	
THE NORTH CAROLINA SECURITIES DIVISION,	
Petitioner,	
vs.	**TEMPORARY ORDER**
	TO
BRENDLE SHAFFNER FINANCIAL ADVISORS, LLC, CRD # 118340	**CEASE AND DESIST**
and	
JOHN WILLOUGHBY HEARN, III, CRD # 2932406	**FILE NO. 06-014-IG**
Respondents.	

Pursuant to the authority granted by Chapter 78C of the North Carolina General Statutes (the North Carolina Investment Advisers Act) and the rules promulgated thereunder, the Securities Division of the Department of the Secretary of State, hereinafter referred to as the "Division," has investigated the activities of **BRENDLE SHAFFNER FINANCIAL ADVISORS, LLC** (hereinafter "BSFA") and **JOHN WILLOUGHBY HEARN, III** (hereinafter "Hearn"), to determine if they have engaged in, or are about to engage in, any act or practice constituting a violation of the North Carolina Investment Advisers Act or any rule or order thereunder.

THE DIVISION has filed an Administrative Petition against the above-named Respondents seeking, among other remedies, a Temporary Order to Cease and Desist pursuant to the provisions of N.C.G.S. §78C-28(b)(2).

THE SECRETARY OF STATE, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therefrom, and for the protection and preservation of the public welfare and in the public interest, makes the following:

FINDINGS OF FACT

1. Respondent Brendle Shaffner Financial Advisors, LLC (hereinafter, "BSFA") is a North Carolina limited liability company that holds itself out to the general public as providing investment advisory services and maintains a principal place of business at 380 Knollwood Street, Suite 350, Winston-Salem, NC, 27103.

2. Respondent John Willoughby Hearn, III (hereinafter, "Hearn") is a natural person who maintains a place of business at 309 S. Laurel Avenue, Suite 202, Charlotte, NC, 28207. Respondent Hearn is currently registered as an investment adviser representative in North Carolina with Miller McNeish Breedlove & Hearn Financial Services, LLC ("MMBH" a state-registered investment adviser) and both Hearn and MMBH have been so registered since November 12, 1999.

3. Brendle Shaffner Financial Advisors, LLC is a person registered as an investment adviser with the State of North Carolina pursuant to N.C.G.S. §78C-17(a) and has been continuously so registered since July 9, 2001.

4. Miller McNeish Breedlove & Hearn Financial Services, LLC is a person registered as an investment adviser with the State of North Carolina pursuant to N.C.G.S. §78C-17(a) and has been continuously so registered since November 12, 1999.

5. According to the registration records filed with the Administrator and maintained by the Central Registration Depository/Investment Adviser Registration Depository (CRD/IARD), Respondent John Willoughby Hearn, III is listed as a direct owner of MMBH.

6. Since N.C.G.S. §78C-17(a) provides that registration of an investment adviser automatically constitutes registration of any investment adviser representative who is a partner, executive officer, or director, or a person occupying a similar status or performing similar functions, Respondent Hearn has been continuously registered as an investment adviser representative on behalf of MMBH since November 12, 1999.

7. On June 22, 2005, a representative of the Administrator conducted an examination of MMBH, a state-registered investment adviser, pursuant to the Administrator's authority under N.C.G.S. §78C-18(e).

8. On June 29, 2005, a representative of the Administrator conducted an examination of BSFA, a state-registered investment adviser, pursuant to the Administrator's authority under N.C.G.S. §78C-18(e).

9. Through the June 29, 2005 examination, information received by the Administrator's representative showed MMBH had entered into a contract with BSFA whereby BSFA engaged MMBH to prepare financial plans and financial planning materials as requested by BSFA.

10. Upon information and belief, Respondent Hearn travels from his office in Charlotte to Winston-Salem and meets with BSFA investment advisory clients in providing investment advisory services.

11. Respondent Hearn is not registered as an investment adviser representative associated with BSFA with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Investment Advisers Act.

12. Respondent Hearn has willfully transacted business in the state of North Carolina as an investment adviser representative for BSFA without being registered as investment adviser representative, in violation of N.C.G.S. §78C-16(a1).

13. Respondent BFSA has willfully employed an investment adviser representative without ensuring proper registration, in violation of N.C.G.S. §78C-16(b).

14. Upon information and belief, MMBH has received fees from BSFA amounting to at least eighteen thousand two hundred three dollars and sixteen cents ($18,203.16) since entering into the contract between MMBH and BSFA.

15. It is in the public interest of the citizens of North Carolina that Respondents be prohibited from violating the provisions of the North Carolina Investment Advisers Act in connection with transacting business as investment advisers and investment adviser representatives.

16. Respondents presently continue to have the ability to transact business as investment advisers and investment adviser representatives in North Carolina in violation of the provisions of N.C.G.S. §§78C-16(a1) and 78C-16(b).

17. A Temporary Order to Cease and Desist is necessary or appropriate in the public interest or for the protection of investors and clients and consistent with the purposes fairly intended by the policy and provisions of Chapter 78C, the North Carolina Investment Advisers Act.

18. Any delay in issuing an order under N.C.G.S. §§78C-28(b)(1) will result in irreparable harm to the public interest by allowing unregistered persons to continue to transact business in North Carolina in willful violation of its laws.

CONCLUSIONS OF LAW

1. The Secretary of State has statutory authority pursuant to N.C.G.S. §78C-28(b)(2) to enter and issue a Temporary Order to Cease and Desist against the Respondents.

2. There is reasonable cause to believe the Respondents have engaged in willful violations of the Investment Advisers Act, specifically N.C.G.S. §§78C-16(a1) and 78C-16(b).

3. There is reasonable cause to believe the Respondents will continue to commit acts and omissions in violation of the Investment Advisers Act.

4. It is necessary or appropriate in the public interest or for the protection of investors and clients and consistent with the purposes fairly intended by the policy and provisions of Chapter 78C that the Respondents be temporarily ordered to cease and desist from transacting business in this State as an investment adviser representative in violation of the Investment Advisers Act.

5. The public interest would be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. §78C-28(b)(1).

NOW, THEREFORE, IT IS ORDERED, pursuant to the authority contained in N.C.G.S. §78C-28(b)(2), that Respondent **JOHN WILLOUGHBY HEARN, III** shall immediately cease and desist from transacting business in this State as an investment adviser representative on behalf of Respondent **BRENDLE SHAFFNER FINANCIAL ADVISORS, LLC**.

AND IT IS FURTHER ORDERED, pursuant to the authority contained in N.C.G.S. §78C-28(b)(2), that Respondent **BRENDLE SHAFFNER FINANCIAL ADVISORS, LLC** shall immediately cease and desist from employing an investment adviser representative unless the investment adviser representative is registered under Chapter 78C to act as an investment adviser representative on its behalf.

NOTICE IS HEREBY GIVEN that the Respondents may request a hearing upon this matter by transmitting such request, in writing and within thirty (30) business days of receipt of this document, to David S. Massey, Deputy Securities Administrator, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. A copy of any such request shall be served by first-class mail upon Allan C. J. Russ, Enforcement Attorney, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. If such a request is made, this matter shall be scheduled for a hearing in accordance with Chapter 150B of the North Carolina General Statutes within twenty (20) days after receipt by the Deputy Securities Administrator of the written request. If no request for a hearing, other responsive hearing, or submission is received by the Deputy Securities Administrator within thirty (30) business days of the receipt of service hereof, this Temporary Order to Cease and Desist shall become final and remain in effect unless it is modified or vacated by the Secretary of State in her capacity as Administrator of the North Carolina Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 13th day of March 2006.

Time of entry: 10:15 A .M.

ELAINE F. MARSHALL
SECRETARY OF STATE OF NORTH CAROLINA and
SECURITIES ADMINISTRATOR, by

DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR