STATE OF NORTH CAROLINA

Department of The Secretary of State

THE NORTH CAROLINA SECURITIES DIVISION,	
Petitioner,	
vs.	
EFR Financial Services, LLC **4540 Country Club Road** **Winston-Salem, NC 27104,**	**TEMPORARY** **ORDER TO CEASE**
Roger Van Edwards, **4540 Country Club Road** **Winston-Salem, NC 27104,**	**AND DESIST** **AND**
Byron Keith Falls, **4540 Country Club Road** **Winston-Salem, NC 27104,**	**SUMMARY** **SUSPENSION OF**
Terry Norris Renegar, **4540 Country Club Road** **Winston-Salem, NC 27104, and**	**REGISTRATION**
Bryan Speas Davis, **4540 Country Club Road** **Winston-Salem, NC 27104,**	**FILE NO. 06-006-IG**
Respondents.	

Pursuant to the authority granted by Chapter 78A and 78C of the North Carolina General Statutes (the North Carolina Securities Act and the North Carolina Investment

Advisers Act, respectively) 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 **EFR FINANCIAL SERVICES, LLC** (hereinafter "EFR"), **ROGER VAN EDWARDS** (hereinafter "Edwards"), **BYRON KEITH FALLS** (hereinafter "Falls"), **TERRY NORRIS RENEGAR** (hereinafter "Renegar") and **BRYAN SPEAS DAVIS** (hereinafter "Davis"), to determine if they have engaged in, or are about to engage in, any act or practice constituting a violation of the North Carolina Securities Act or any rule or order thereunder and 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. §§78A-47(b)(2) and 78C-28(b)(2) and a summary suspension, pursuant to the provisions of N.C.G.S. §78C-19(c), of the registration of the Respondent EFR Financial Services, LLC to transact business as an investment adviser in North Carolina.

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 **EFR Financial Services, LLC** (hereinafter "EFR") is a North Carolina limited liability company and has its principal place of business located at 4540 Country Club Road, Winston-Salem, North Carolina, 27104.

2. Respondent **Roger Van Edwards** (hereinafter "Edwards") is an individual who maintains offices at 4540 Country Club Road, Winston-Salem, North Carolina, 27104 and is a member of EFR Financial Services, LLC.

3. Respondent **Byron Keith Falls** (hereinafter "Falls") is an individual who maintains offices at 4540 Country Club Road, Winston-Salem, North Carolina, 27104 and is a member of EFR Financial Services, LLC.

4. Respondent **Terry Norris Renegar** (hereinafter "Renegar") is an individual who maintains offices at 4540 Country Club Road, Winston-Salem, North Carolina, 27104 and is a member of EFR Financial Services, LLC.

5. Respondent **Bryan Speas Davis** (hereinafter "Davis") is an individual who maintains offices at 4540 Country Club Road, Winston-Salem, North Carolina, 27104 and is a director of EFR Financial Services, LLC.

6. EFR 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 October 15, 2003.

7. EFR was initially registered as an investment adviser in the state of North Carolina on September 12, 2001 and was registered until December 31, 2001, however, between January 1, 2002 and October 14, 2003, EFR was not registered in the state of North Carolina as an investment adviser.

8. According to the registration records filed with the Administrator and maintained by the Central Registration Depository/Investment Adviser Registration Depository (CRD/IARD), Edwards, Falls and Renegar are listed as members, direct owners and control persons of EFR and Davis is listed as a direct owner and director of EFR.

9. 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, Respondents Edwards, Falls, Renegar and Davis have been continuously registered as investment adviser representatives on behalf of EFR since October 15, 2003 and from September 12, 2001 until December 31, 2001.

10. On October 8, 2003, the Respondents agreed to the entry of a Consent Order whereby the Respondents were ordered to cease and desist from soliciting investment advisory services for any investment adviser covered under federal law unless each individual soliciting those investment advisory services is registered as an investment adviser representative with the investment adviser covered under federal law for whom the individual is soliciting investment advisory services (Consent Order attached as Exhibit 1).

11. On October 19, 2004, a representative of the Administrator conducted an examination of EFR, a state-registered investment adviser, pursuant to the Administrator's authority under N.C.G.S. §78C-18(e).

12. Through the October 19, 2004 examination, information received by the Administrator's representative indicated EFR was continuing to receive fees or other remuneration from an investment adviser covered under federal law (Scott & Stringfellow, Inc.) and others, in possible violation of the Consent Order dated October 8, 2003 and in violation of the registration provisions of the North Carolina Investment Advisers Act.

13. On August 3, 2005, the Administrator, pursuant to her investigative powers, issued a Subpoena Duces Tecum to Roger V. Edwards, in his capacity as Compliance Manager and Member of EFR, requesting further information about the fees and remuneration that was being received by EFR from Scott & Stringfellow, Inc., and others (Exhibit 2).

14. Edwards, Falls, Renegar and Davis use the address 4540 Country Club Road, Winston-Salem, North Carolina, 27104 as a location that is held out to the general public at which each of the Respondents provides investment advisory services, solicits, meets with, or otherwise communicates with clients.

15. Upon information and belief, Edwards, Falls, Renegar and Davis are not subject to the supervision and control of Scott and Stringfellow, Inc. nor do Edwards, Falls, Renegar and Davis provide investment advice on behalf of Scott & Stringfellow, Inc.

16. Upon information and belief, Edwards, Falls, Renegar and Davis have continued, since the entry of the Consent Order, as referenced in paragraph 10, above, to solicit, offer, or negotiate for the sale of, or sell investment advisory services on behalf of Scott & Stringfellow, Inc., an investment adviser covered under federal law.

17. Not one of the Respondents has been registered as an investment adviser representative associated with Scott & Stringfellow, Inc. (an investment adviser covered under federal law) with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Investment Advisers Act.

18. Edwards, Falls, Renegar and Davis have each transacted business in the state of North Carolina as an investment adviser representative for Scott & Stringfellow, Inc. without being registered as investment adviser representatives associated with an investment adviser covered under federal law, in violation of N.C.G.S. §78C-16(a1).

19. Edwards, Falls, Renegar and Davis have willfully violated and failed to comply with the October 8, 2003 Consent Order issued by the Administrator under Chapter 78C of the General Statutes, in violation of N.C.G.S. §78C-19(a)(2)(b).

20. EFR, on October 31, 2002, entered into a written agreement with ACM Financial Trust, Inc. (formerly known as, Atlantic Capital Management, Inc.), whereby EFR was to receive transaction-based compensation for "providing new investors" to ACM Financial Trust, Inc. (formerly known as, Atlantic Capital Management, Inc.), (herein, "ACM").

21. EFR has received "quarterly management fees" from ACM since entering into its contract with ACM.

22. Upon information and belief, the Respondents are transacting business in North Carolina as a dealer or salesman by offering and selling securities, soliciting the purchase of securities and by receiving transaction-based compensation, the payment of which is conditioned on the sale of securities to persons who have been referred by Respondents to ACM.

23. In the offering and selling of the securities of ACM, EFR discloses to its clients that ACM is "an investment adviser registered as such with the United States Securities and Exchange Commission."

24. A search of the CRD/IARD fails to disclose that ACM is an investment adviser registered as such with the U.S. Securities and Exchange Commission.

25. ACM has, however, filed with the Securities Division a notice filing made in connection with a securities offering pursuant to N.C.G.S. §78A-31(b) on January 15, 1999 and has also filed updates to its notice filing as recently as October 31, 2005. ACM is an "issuer" of securities (as that term is defined at N.C.G.S. §78A-2(5)), not an investment adviser.

26. The notice filing filed by ACM on October 31, 2005 discloses that ACM, the "issuer," is offering shares of common stock and warrants pursuant to a federal exemption from securities registration under Rule 506 of Regulation D, Rules Governing the Limited Offer and Sale of Securities Without Registration Under the Securities Act of 1933. ACM states in its filing that it has raised fifty-one million, seven hundred forty-six thousand, six hundred seventy ($51,746.670.00) dollars from one hundred sixty-three (163) investors in the state of North Carolina.

27. By offering and selling the securities of ACM, as described above, each of the Respondents was acting as a "dealer" or "salesman" within the meaning of N.C.G.S. §§78A-2(2) and 78A-2(9).

28. Prior to and during their engaging in transacting business by offering and selling securities to persons in North Carolina, the Respondents did not register as dealers or salesmen of securities with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act, in violation of N.C.G.S. §78A-36(a).

29. In connection with the offer and sale of the aforesaid security to persons in North Carolina, the Respondents omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of N.C.G.S. §78A-8(2), in that the Respondents omitted to state to offerees that Respondents were not registered as dealers or salesmen of securities pursuant to the provisions of the North Carolina Securities Act in violation of N.C.G.S. §78A-36(a).

30. In connection with the solicitation of advisory clients, the Respondents made untrue statements of a material fact, in violation of N.C.G.S. §78C-8(b), in that the Respondents stated that ACM is a U.S. Securities and Exchange Commission registered investment adviser, when in fact, it is not.

31. It is in the public interest of the citizens of North Carolina that Respondents be prohibited from violating the provisions of the North Carolina Securities Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, and transacting business as dealers or salesmen.

32. It is in the public interest or for the protection of investors and clients that Respondents be prohibited from violating the provisions of the North Carolina Investment Advisers Act in connection with the representation of investment advisers and investment advisers covered under federal law.

33. Respondents presently continue to have the ability to offer and sell securities to persons in North Carolina in violation of the provisions of N.C.G.S. §§78A-8 and 78A-36.

34. Respondents presently continue to have the ability to transact business as investment adviser representatives in North Carolina in violation of the provisions of N.C.G.S. §§78C-8(b), 78C-16(a1), and 78C-19(a)(2)(b).

35. A Temporary Order to Cease and Desist is necessary and appropriate to address Respondents' violations of the North Carolina Securities Act and North Carolina Investment Advisers Act. Any delay in issuing an order under N.C.G.S. §§78A-47(b)(1) and 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 violation of its laws and to its citizens in the form of economic loss resulting from investment in securities sold in violation of its laws.

36. A Summary Order Suspending Registration of EFR Financial Services, LLC as an investment adviser pursuant to N.C.G.S. §78C-19(c) 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 pending a final determination of any proceeding under N.C.G.S. §78C-19.

CONCLUSIONS OF LAW

1. The Secretary of State has statutory authority pursuant to N.C.G.S. §§78A-47(b)(2) and 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 Securities Act and the Investment Advisers Act, specifically N.C.G.S. §§78A-8, 78A-36, 78C-8(b), 78C-16(a1) and 78C-19(a)(2)(b).

3. There is reasonable cause to believe the individual Respondents have engaged in willful violations of an order of the Administrator issued under the Investment Advisers Act.

4. The Secretary of State has statutory authority pursuant to N.C.G.S. §78C-19(c) to issue summary orders suspending the registration of investment advisers in North Carolina pending final determination of an administrative proceeding initiated under N.C.G.S. §78C-19(a).

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

6. It is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of Chapter 78A that the Respondents be temporarily ordered to cease and desist from making offers and sales of securities in violation of the Securities Act and, in connection with such solicitations, omitting to state material facts necessary to make other statements made, in light of the circumstances under which they were made, not misleading.

7. 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 and its rules and orders issued thereunder and in connection with the solicitation of advisory clients, making any untrue statements of a material fact in violation of the Investment Advisers Act.

8. 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 registration of Respondent EFR Financial Services, LLC as an investment adviser be summarily suspended pending a final determination of any proceeding initiated under N.C.G.S. §78C-19.

9. The public interest would be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. §§78A-47(b)(1) or 78C-28(b)(1).

NOW, THEREFORE, IT IS ORDERED, pursuant to the authority contained in N.C.G.S. §§78A-47(b)(2) and 78C-28(b)(2), that Respondents, **EFR FINANCIAL SERVICES, LLC; ROGER VAN EDWARDS; BYRON KEITH FALLS; TERRY NORRIS RENEGAR AND BRYAN SPEAS DAVIS** shall immediately cease and desist from:

a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, the securities of ACM or any security of any issuer, howsoever denominated, unless and until said persons become registered as dealers or salesmen pursuant to the provisions of the North Carolina Securities Act;

b. in connection with the offer, sale or purchase of any security, omitting to state material facts necessary in order to make statements made, in light of the circumstances under which such statements are made, not misleading;

c. in the solicitation of advisory clients, making any untrue statements of a material fact; and

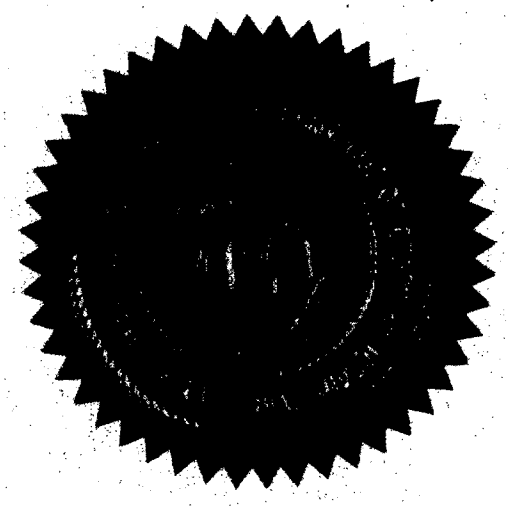
d. transacting business in this State as an investment adviser representative unless and until said persons become registered as investment adviser representatives pursuant to the provisions of the North Carolina Investment Advisers Act.

AND IT IS FURTHER ORDERED, pursuant to the authority contained in N.C.G.S. §78C-19(c), that Respondent **EFR FINANCIAL SERVICES, LLC's** registration as an investment adviser is hereby **SUSPENDED** pending final determination of the proceeding initiated pursuant to N.C.G.S. §78C-19(a)(2)(b).

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 14th day of March 2006.

Time of entry: 10:24 A .M.



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

DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR