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,** **Roger Van Edwards,** **4540 Country Club Road** **Winston-Salem, NC 27104,** **Byron Keith Falls,** **4540 Country Club Road** **Winston-Salem, NC 27104,** **Terry Norris Renegar,** **4540 Country Club Road** **Winston-Salem, NC 27104, and** **Bryan Speas Davis,** **4540 Country Club Road** **Winston-Salem, NC 27104,** **Respondents.**	**CONSENT ORDER** **FILE NO. 06-006-IG**

WHEREAS, EFR Financial Services, LLC (hereinafter, "EFR"), 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 4540 Country Club Road, Winston-Salem, North Carolina, 27104; and

WHEREAS, the North Carolina Securities Division has filed an Administrative Petition against the above-named Respondents seeking, among other remedies, a Final Order to Cease and Desist ordering them to cease all violations of the North Carolina Securities Act and the North Carolina Investment Advisers Act; and

WHEREAS, the Secretary of State of the State of North Carolina (the "Secretary of State"), as Administrator of the North Carolina Securities Act and the North Carolina Investment Advisers Act (North Carolina General Statutes, Chapters 78A and 78C), the Securities Division of the Department of the Secretary of State (the "Securities Division"), and the Respondents have negotiated this Consent Order; and

WHEREAS, the Respondents have fully cooperated with the Securities Division by responding to inquiries, actively communicating with the Securities Division, providing documentary evidence and other materials relating to the Securities Division's securities investigation into certain activities undertaken by Respondents; and

WHEREAS, the Respondent EFR has requested withdrawal of its registration as an investment adviser in the State of North Carolina by filing a Form ADV-W with the Investment Adviser Registration Depository (IARD) operated by the National Association of Securities Dealers; and

WHEREAS, the Respondents elect to permanently waive any rights to judicial review or a hearing and appeal under Chapter 78A and Chapter 78C (the North Carolina Securities Act and the North Carolina Investment Advisers Act) or Chapter 150B of the North Carolina General Statutes (the Administrative Procedure Act) with respect to this Consent Order;

NOW, THEREFORE, the Securities Administrator, acting through her duly appointed Deputy Securities Administrator, pursuant to and under all authority granted by the North Carolina Securities Act and the North Carolina Investment Advisers Act, and with the consent of the Respondents, does hereby enter into this Consent Order in full and complete settlement of the Administrative Petition, Temporary Order to Cease and Desist and Summary Suspension of Registration and Notice of Decision to Impose Monetary Civil Penalties issued and entered on March 14, 2006 against the above-named Respondents.

I.
JURISDICTION AND CONSENT

Respondents admit the jurisdiction of the Securities Division, neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Consent Order, and consent to the entry of this Consent Order by the Deputy Securities Administrator.

II.
FINDINGS OF FACT

The Securities Administrator, acting by and through her duly appointed Deputy Securities Administrator, makes the following findings of fact regarding a securities investigation into certain activities undertaken by the Respondents:

1. Respondent **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's registration as an investment adviser with the State of North Carolina became effective on October 15, 2003 under the North Carolina Investment Advisers Act.

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 February 27, 2001, EFR and Scott & Stringfellow, Inc. entered into a written agreement providing that EFR would refer potential investors to Scott & Stringfellow, Inc. and in return EFR would receive payments from Scott & Stringfellow, Inc. if any of the referred investors received investment advisory services from Scott & Stringfellow, Inc.

11. 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.

12. 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). Following the examination of EFR pursuant to N.C.G.S. §78C-18(e), EFR was expecting but did not immediately receive a written notice of deficiency or written notice of violation. The Respondents cooperated fully in the examination.

13. 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 possible violation of the registration provisions of the North Carolina Investment Advisers Act.

14. 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. The Respondent timely complied with the terms of the Subpoena.

15. 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 to, and solicits, meets, or otherwise communicates with clients.

16. Although Edwards, Falls, Renegar and Davis solicit investment advisory clients for Scott & Stringfellow, Inc. pursuant to a referral fee agreement between EFR and Scott & Stringfellow, Inc., 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.

17. Edwards, Falls, Renegar and Davis have continued, since the entry of the Consent Order, as referenced in paragraph 11, above, to solicit investment advisory services on behalf of Scott & Stringfellow, Inc., an investment adviser covered under federal law and to refer prospective investment advisory clients to Scott & Stringfellow, Inc.

18. None 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.

19. Edwards, Falls, Renegar and Davis have each transacted business in the state of North Carolina as an investment adviser representative for Scott & Stringfellow, Inc. by referring prospective investment advisory clients to Scott & Stringfellow, Inc. but have not been registered with the Securities Division as investment adviser representatives associated with Scott & Stringfellow, Inc. (an investment adviser covered under federal law).

20. Edwards, Falls, Renegar and Davis did not comply with the October 8, 2003 Consent Order issued by the Administrator under Chapter 78C of the General Statutes.

21. 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").

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

23. Respondents have transacted 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.

24. 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."

25. 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.

26. 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 10, 2006. ACM is an "issuer" of securities (as that term is defined at N.C.G.S. §78A-2(5)), not an investment adviser.

27. The notice filing filed by ACM on October 10, 2006 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 forty-two million, eight hundred ninety-nine thousand, four hundred thirty-eight ($42,899,438.00) dollars from one hundred thirty-three (133) investors in the state of North Carolina.

28. 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).

29. Prior to and during their engaging in transacting business with 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.

30. In connection with the offer and sale of the aforesaid security to persons in North Carolina, the Respondents omitted to state material facts 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.

31. In connection with the solicitation of advisory clients, the Respondents stated that ACM is a U.S. Securities and Exchange Commission registered investment adviser, when in fact, it is not.

32. 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.

33. 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.

III.
CONCLUSIONS OF LAW

1. The Securities Administrator has jurisdiction over the subject matter of this proceeding and over the person of the Respondents.

2. The North Carolina Securities Division finds the Respondents have engaged in conduct in violation 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. The North Carolina Securities Division finds the individual Respondents have engaged in conduct in violation of an order of the Administrator issued under the Investment Advisers Act.

4. The entry of this Consent Order is in the public interest for the protection of investors and clients and consistent with the purposes fairly intended by the policy and provisions of the North Carolina Securities Act and the North Carolina Investment Advisers Act.

IV.
ORDER

NOW, THEREFORE, with the consent and agreement of the Respondents, it is **HEREBY ORDERED AND AGREED** that the Respondents 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.

IT IS FURTHER ORDERED AND AGREED that Respondent EFR's request for withdrawal from registration as an investment adviser in North Carolina is hereby effective upon the condition that EFR shall not apply for registration as an investment adviser or securities dealer in North Carolina for 12 months following the issuance and entry of this Consent Order. Respondents Edwards, Falls, Renegar and Davis have the right to seek to be registered as investment adviser representatives or securities salesmen in the State of North Carolina after the date of issuance and entry of this Consent Order.

IT IS FURTHER ORDERED AND AGREED that Respondent EFR Financial Services, LLC agrees to pay the sum of twenty thousand dollars ($20,000.00) in settlement of this securities investigation, to be deposited in the Investor Protection and Education Trust Fund in accordance with N.C.G.S. §147-54.5. EFR agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification, including,

but not limited to payment made pursuant to any insurance policy, with regard to any payments that EFR shall pay in settlement of this securities investigation. EFR further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any payments that EFR shall pay in settlement of this securities investigation.

For any person or entity not a party to this Order, this Order does not limit or create any private rights or remedies against the Respondents, or limit or create liability of Respondents or limit or create defenses of Respondents to any claims.

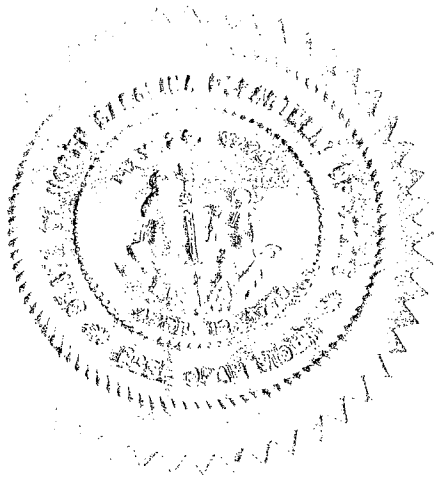
The agreement to the entry of the Consent Order is for the sole purpose of concluding the securities investigation by the Securities Division and is in settlement of the pending temporary order issued by the Administrator on March 14, 2006 and the Respondents do not admit or deny the findings of fact and conclusions of law.

Respondents, by execution of this Consent Order, waive any right to a hearing or judicial review thereof. Each said Respondent affirmatively states that he has freely agreed to the signing of this Consent Order, and that no threats, promises or offers of any kind, other than as stated in this document, have been made by the Securities Administrator, Deputy Securities Administrator, any member of the staff of the Securities Division, or any agent or employee of the Department of the Secretary of State in connection with the signing of this Consent Order.

This Consent Order shall become final upon entry.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 14th day of December 2006.

Time of entry: 1:54 P.M.



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

DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR

CONSENT TO ENTRY OF ORDER BY EFR FINANCIAL SERVICES, LLC

1. **EFR FINANCIAL SERVICES, LLC** hereby acknowledges that it has been served with a copy of this Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived this right.

2. **EFR FINANCIAL SERVICES, LLC** admits the jurisdiction of the Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Secretary of State.

3. **EFR FINANCIAL SERVICES, LLC** states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

4. **EFR FINANCIAL SERVICES, LLC** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Terry N. Renegar represents that he/she is Member/Manager of **EFR FINANCIAL SERVICES, LLC** and that, as such, has been authorized by **EFR FINANCIAL SERVICES, LLC** to enter into this Order for and on behalf of **EFR FINANCIAL SERVICES, LLC.**

Dated this 5th day of December, 2006.

By: _____

Title: Manager/Member

SUBSCRIBED AND SWORN TO before me this 5th day of December, 2006.

Roxanne W. Gray
Notary Public

My Commission expires: 10-27-2010

ROXANNE W. GRAY NOTARY PUBLIC My Comm. Exp. 10-27-2010 COUNTY OF FORSYTH, NC

CONSENT TO ENTRY OF ORDER BY ROGER VAN EDWARDS

1. **ROGER VAN EDWARDS** hereby acknowledges that he has been served with a copy of this Order, has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, and has waived this right.

2. **ROGER VAN EDWARDS** admits the jurisdiction of the Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Secretary of State.

3. **ROGER VAN EDWARDS** states that no promise of any kind or nature whatsoever was made to him, other than as represented in this Order, to induce him to enter into this Order and that he has entered into this Order voluntarily.

4. **ROGER VAN EDWARDS** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Dated this 5th day of December, 2006.

By: _____
ROGER VAN EDWARDS

SUBSCRIBED AND SWORN TO before me this 5th day of December, 2006.

Roxanne W. Gray
Notary Public

My Commission expires: 10-27-2010

ROXANNE W. GRAY NOTARY PUBLIC My Comm. Exp. 10-27-2010 COUNTY OF FORSYTH, NC

CONSENT TO ENTRY OF ORDER BY BYRON KEITH FALLS

1. **BYRON KEITH FALLS** hereby acknowledges that he has been served with a copy of this Order, has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, and has waived this right.

2. **BYRON KEITH FALLS** admits the jurisdiction of the Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Secretary of State.

3. **BYRON KEITH FALLS** states that no promise of any kind or nature whatsoever was made to him, other than as represented in this Order, to induce him to enter into this Order and that he has entered into this Order voluntarily.

4. **BYRON KEITH FALLS** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Dated this 6th day of December, 2006.

By: _____
BYRON KEITH FALLS

SUBSCRIBED AND SWORN TO before me this 5th day of December, 2006.

_____
Notary Public

My Commission expires: 10-27-2010

ROXANNE W. GRAY NOTARY PUBLIC My Comm. Exp. 10-27-2010 COUNTY OF FORSYTH, NC

CONSENT TO ENTRY OF ORDER BY TERRY NORRIS RENEGAR

1. **TERRY NORRIS RENEGAR** hereby acknowledges that he has been served with a copy of this Order, has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, and has waived this right.

2. **TERRY NORRIS RENEGAR** admits the jurisdiction of the Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Secretary of State.

3. **TERRY NORRIS RENEGAR** states that no promise of any kind or nature whatsoever was made to him, other than as represented in this Order, to induce him to enter into this Order and that he has entered into this Order voluntarily.

4. **TERRY NORRIS RENEGAR** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Dated this 5th day of December, 2006.

By: _____
TERRY NORRIS RENEGAR

SUBSCRIBED AND SWORN TO before me this 5th day of December, 2006.

Roxanne W. Gray
Notary Public

My Commission expires: 10-27-2010

ROXANNE W. GRAY NOTARY PUBLIC My Comm. Exp. 10-27-2010 COUNTY OF FORSYTH, NC

CONSENT TO ENTRY OF ORDER BY BRYAN SPEAS DAVIS

1. **BRYAN SPEAS DAVIS** hereby acknowledges that he has been served with a copy of this Order, has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, and has waived this right.

2. **BRYAN SPEAS DAVIS** admits the jurisdiction of the Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Secretary of State.

3. **BRYAN SPEAS DAVIS** states that no promise of any kind or nature whatsoever was made to him, other than as represented in this Order, to induce him to enter into this Order and that he has entered into this Order voluntarily.

4. **BRYAN SPEAS DAVIS** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Dated this 5th day of December, 2006.

By: Bryan S. Davis
BRYAN SPEAS DAVIS

SUBSCRIBED AND SWORN TO before me this 5th day of December, 2006.

Roxanne W. Gray
Notary Public

My Commission expires: 10-27-2010

ROXANNE W. GRAY NOTARY PUBLIC My Comm. Exp. 10-27-2010 COUNTY OF FORSYTH, NC