STATE OF NORTH CAROLINA

Department of The Secretary of State

IN THE MATTER OF:

NORTH CAROLINA SECURITIES DIVISION,

Petitioner,

vs.

SOUTHEASTERN FINANCIAL RESOURCES, LLC.
2346 Welchel Road
Mooresboro, North Carolina 28114

and

MARK EDWARD PATTY
2346 Welchel Road
Mooresboro, North Carolina 28114
(Individually and in his capacity as Organizer of
Southeastern Financial Resources, LLC.)

Respondents.

CONSENT TO FINAL ORDER TO CEASE & DESIST

File No. 03-002-CC

The Securities Administrator, acting through her duly-appointed Deputy Securities Administrator, pursuant to and under all authority granted by Chapter 78A of the North Carolina General Statutes (the North Carolina Securities Act), and with the consent of the above-named Respondents **SOUTHEASTERN FINANCIAL RESOURCES, LLC.** (hereinafter referred to as "Respondent"), and **MARK EDWARD PATTY** (hereinafter referred to as "Respondent" or "PATTY") (collectively, the "Respondents"), does hereby enter into this Consent Order in settlement of the above-captioned matter. Respondents admit the jurisdiction of the Division.

Respondents neither admit nor deny the Findings of Fact and Conclusions of Law contained in the Consent Order and agree to the entry of this Consent Order to Cease and Desist.

FINDINGS OF FACT

1. Respondent **SOUTHEASTERN FINANCIAL RESOURCES, LLC.**, upon review of the North Carolina Secretary of State's Corporations Division's records, is a member-managed limited liability company formed under North Carolina law on April 22, 2003, with a registered office located at 2346 Welchel Road, Mooresboro, North Carolina 28114, that upon information and belief maintains an office located at 421 South Lafayette Street, Shelby, North Carolina 28150.

2. Respondent **MARK E. PATTY** is the registered agent and organizer of Southeastern Financial Resources, LLC. Patty has been identified as a salesman of securities issued by Titan Composites, Inc. During all times relevant to this action Mark E. Patty was not registered to sell securities in North Carolina.

3. TITAN COMPOSITES, INC. is a North Carolina Corporation with its principal place of business located at 1303 5th Avenue, W., Suites B & C, Hendersonville, North Carolina 27839. As of September 28, 2006, Titan Composites, Inc. filed with the Secretary of State a Statement of Change of Registered Office reporting its registered office address as 140 4th Avenue West, Suite 102, Hendersonville, North Carolina 28792.

4. BRYAN K. NOEL is a natural person who, upon information and belief, is the principal owner and president of Titan Composites, Inc.

5. During the period of time from November 2005 until November 14, 2006, Respondents, through direct contact, offered and sold to members of the public in North Carolina unregistered securities in the form of debentures and stock issued by Titan Composites, Inc.

6. Respondents represented to North Carolina investors that the Titan Composites, Inc. investments were convertible subordinated debentures. In some offers and sales, the debentures immediately converted to Titan Composites, Inc. common stock. In other

offers and sales the convertible subordinated debentures were not immediately converted into Titan common stock, but instead were to mature in 3 years and provide for a 6.25% annual return.

7. The offer and sale by Respondents of the Titan Composites, Inc. investments in the form of debentures and stock under the circumstances described in Paragraphs 5 through 7 above constitute the "offer and sale" of a "security" as the terms are defined in N.C.G.S. §§78A-2(8) and 78A-2(11).

8. The securities offered and sold by the Respondents in North Carolina were not registered with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act prior to or at the time of being offered or sold to persons in North Carolina, and were not exempt from registration nor covered under federal law, in violation of N.C.G.S. §78A-24.

9. During the period of time from November 2005 until the present, and during the time of the offering and sales of Titan Composites, Inc. debentures and stock referred to in Paragraphs 5 through 7, the Respondents were not registered 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. Respondents were acting as a "dealer" or "salesman" within the meaning of N.C.G.S. §§78A-2(2) and 78A-2(9).

10. During the period of time from November 2005 until November 14, 2006, the Respondents engaged in transacting business as securities dealers or securities salesmen by offering and selling securities to persons in North Carolina, but the Respondents were not registered 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).

BASED UPON THE FOREGOING findings of fact, and consistent with the consent and stipulation of the Respondents, the Securities Administrator makes the following:

CONCLUSIONS OF LAW

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

2. The shares of common stock and the convertible subordinated debentures of Titan Composites, Inc. described in paragraphs 5 through 7 are "securities" as defined by N.C.G.S. §78A-2(11). The offers and sales of the securities described in paragraphs 5 through 7 were required to be registered with the Securities Division of the Department of the Secretary of State pursuant to N.C.G.S. §78A-24.

3. Respondents have violated the provisions of N.C.G.S §78A-24 requiring the registration of securities prior to their offer and sale to persons in the state of North Carolina.

4. From November 2005 until the present, and during the time of the offering and sales of Titan Composites, Inc. debentures and stock referred to in Paragraphs 5 through 7, the Respondents were not registered 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. Respondents were acting as a "dealer" or "salesman" within the meaning of N.C.G.S. §§78A-2(2) and 78A-2(9).

5. During all times relevant to this action, Respondents engaged in transacting business as securities dealers or securities salesmen by offering and selling securities to persons in North Carolina, but the Respondents were not registered 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).

6. The entry of this Consent to a Final Order to Cease and Desist is in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the North Carolina Securities Act.

NOW THEREFORE, with consent and agreement of the Respondents, it is **HEREBY ORDERED:**

1. As to Respondents **SOUTHEASTERN FINANCIAL RESOURCES, LLC.** and **MARK EDWARD PATTY**, upon the entry of this Consent to Final Order to Cease and Desist: (i) The Administrator hereby vacates the Summary Order to Cease and Desist, File No. 03-002-CC, entered against these Respondents on November 14, 2006, pursuant to the authority granted to it under N.C.G.S. §78A-47(b)(2); (ii) in connection therewith, the Administrator hereby dismisses the Administrative Petition filed in the above-mentioned administrative proceedings; and (iii) this Consent to Final Order to Cease and Desist supercedes and replaces the November 14, 2006 Summary Order to Cease and Desist.

2. As of the date of execution of said Consent to Final Order to Cease and Desist, the Respondents shall cease and desist offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, securities in the form of Titan Composites, Inc. common stock or convertible subordinated debentures or any other securities, unless and until such securities have been registered pursuant to the provisions of the North Carolina Securities Act.

3. As of the date of execution of said Consent to Final Order to Cease and Desist, the Respondents shall cease and desist engaging in transacting business as securities dealers or securities salesmen by offering and selling securities to persons in North Carolina, unless and until said Respondents are registered 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.

4. Respondents shall not violate North Carolina Securities Act and the rules promulgated thereunder.

5. Respondents shall pay the sum of two thousand five hundred dollars ($2,500.00), to be deposited in the Investor Protection and Education Trust Fund in

accordance with N.C.G.S. §147-54.5.

6. Each Respondent, by execution of this Consent Order, waives his or its rights to a hearing or judicial review thereof. Said Respondents affirmatively state that they have freely agreed to entry of this Order, 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 entry of this Consent Order.

AGREED AND CONSENTED TO this day 16th of February 2007.

By: Mark Edward Patty

Its: Principal - member

Respondent:
SOUTHEASTERN FINANCIAL RESOURCES, LLC.

By: Mark Edward Patty

Respondent:
MARK EDWARD PATTY

THE NORTH CAROLINA SECURITIES DIVISION:

By:
David S. Massey V
Deputy Securities Administrator