STATE OF NORTH CAROLINA

Department of The Secretary of State

IN THE MATTER OF:	)	
	)	
NORTH CAROLINA SECURITIES DIVISION,	)	
	)	
Petitioner,	)	
	)	
vs.	)	**ORDER OF SUMMARY POSTPONEMENT**
	)	
AMERICAN CAPITAL ADVISORS L.L.C.	)	
8317 Six Forks Road, Suite 101	)	
Raleigh, North Carolina 27615; and	)	
	)	
RICHARD DUANE WHITE and any and all other persons or entities occupying the status or function of executive officer, director or partner of American Capital Advisors L.L.C.,	)	**FILE NO. 08SEC042**
	)	
Respondents.	)	

PURSUANT TO the authority granted by Chapter 78C of the North Carolina General Statutes (the North Carolina Investment Advisers Act) and the administrative rules promulgated thereunder, the Securities Division of the Department of the Secretary of State (hereinafter the "Division") has examined the application for registration as an Investment Adviser of American Capital Advisors L.L.C. (hereinafter "ACA") to determine if it or any partner, officer or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the investment adviser is disqualified from registration pursuant to N.C.G.S. §78C-19(a) and/or N.C.G.S. §78C-19(c).

THE DIVISION has filed an Administrative Petition against the above-named Respondents seeking, among other remedies, a summary postponement, pursuant to the

provisions of N.C.G.S. §78C-19(c), of the North Carolina registration of said Respondents to engage in investment advisory activities.

THE SECRETARY OF STATE acting by and through her duly authorized Deputy Securities Administrator, from the examination of the application for registration and other information provided, and for the protection and preservation of the public welfare and in the public interest, makes the following:

FINDINGS OF FACT

1. Respondent American Capital Advisors L.L.C. (hereinafter "ACA") is a North Carolina member-managed limited liability company with its principal place of business located at 8317 Six Forks Road, Suite 101, Raleigh, North Carolina 27615. Respondent ACA submitted an application for registration (Form ADV) as an investment adviser in North Carolina on February 22, 2008.

2. Respondent Richard Duane White (hereinafter "White") is a managing member and control person of Respondent ACA with 75% or more ownership of ACA and, in such capacity, is eligible to receive automatic registration as an investment adviser representative in North Carolina for Respondent ACA, pursuant to the provisions of N.C.G.S. §78C-17(a). No other individuals, domestic or foreign entities (other than White) are listed on the Form ADV, Schedule A which is a section of the Form ADV that identifies direct owners and executive officers of the applicant for registration.

3. Respondent ACA's initial application for registration as a North Carolina investment adviser (Form ADV) was dated February 22, 2008 and executed under oath by Respondent White.

4. Three of the statutory grounds for the denial of registration of an investment adviser under N.C.G.S. §78C-19(a) are: subsection (2)(b), where any partner, officer or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the investment adviser has willfully violated or willfully failed to comply with any provision of Chapter 78C or 78A or any rule or order under Chapter 78C or 78A; subsection (2)(g), where any partner, officer or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the investment adviser has engaged in dishonest or unethical practices in the securities or financial services business; and subsection (2)(i), where any partner, officer or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the

investment adviser is not qualified on the basis of such factors as training, experience, and knowledge of the securities business.

5. On February 26, 2008 Respondent White agreed and consented to the entry and issuance of a Consent Order whereby White stipulated to the Findings of Fact and Conclusions of Law contained in said Consent Order. The Consent Order was issued and entered by the Securities Administrator on March 11, 2008.

6. The Consent Order found and White stipulated that he had solicited funds from persons in North Carolina to be invested in payphones through ETS Payphones, Inc. (hereinafter "ETS"), in violation of N.C.G.S. §78A-24.

7. Upon information and belief, it is alleged that ETS operated a massive fraudulent investment scheme (also known as a "Ponzi scheme") that defrauded thousands of investors of hundreds of millions of dollars.

8. The Consent Order found and White stipulated that he had solicited funds from persons in North Carolina to be invested in investment programs with Evergreen Security, Ltd. and Worldwide Income Partners, Inc. (hereinafter, "Evergreen"), in violation of N.C.G.S. §78A-24.

9. Upon information and belief, it is alleged that Evergreen Security, Ltd. operated a fraudulent investment scheme that has been found to be a Ponzi scheme.

10. Respondent White, at and during the time of soliciting North Carolina investor funds for the aforementioned fraudulent investment schemes, was registered as a salesman of securities but failed in his fiduciary responsibility to his broker/dealer firm by failing to disclose and receive authorization from his broker/dealer firm for his outside business activities of acting as a salesman for ETS and Evergreen. These aforementioned failures by White constituted willful violations of Chapter 78A or a rule under Chapter 78A and specifically engaging in dishonest or unethical business practices in the securities business.

11. The offer and sale of the ETS and Evergreen securities by White constitute both willful violations of Chapter 78A and the engaging in any act, practice or course of business which operates or would operate as a fraud or deceit.

12. The above-described failures to comply by Respondent White constitute willful violations of provisions under Chapters 78A and 78C of the North Carolina General Statutes (the North Carolina Securities Act and the North Carolina Investment Advisers Act) and the rules promulgated thereunder, specifically 18 NCAC 06 .1414(c)(3).

13. Upon information and belief, Respondent White has not obtained a passing score on either the Uniform Investment Adviser Law Examination (series 65 Exam) or the General Securities Representative examination (Series 7 Exam) and the Uniform Combined State Law Examination (Series 65 Exam).

14. Title 18, Chapter 6, Rule .1709(a) of the North Carolina Administrative Code requires that in the event the applicant for registration as an investment adviser is an entity, rather than an individual, the aforementioned examination(s) shall be taken on behalf of the applicant by one of its officers, a general partner, a manager, or other managing executive of comparable status and position.

15. The above-described offers and sales of fraudulent investment schemes to investors in North Carolina by Respondent White as well as his failure to take and pass the applicable examination(s) indicate that White is not qualified on the basis of such factors as training, experience, and knowledge of the securities business to transact business in the State of North Carolina as an investment adviser or investment adviser representative pursuant to N.C.G.S. §78C-19(a)(2)(i).

16. The Respondents' pending application for registration as an investment adviser and automatic registration as an investment adviser representative threaten injury to the State of North Carolina and its citizens in the form of economic loss resulting from receiving advice regarding the value of, and investment in, securities from persons who have previously sold fraudulent investment schemes and have engaged in dishonest or unethical practices in the securities or financial services business and who are not qualified, on the basis of training and experience, and knowledge of the securities business, to engage in the investment advisory business.

17. The State of North Carolina and its citizens will suffer immediate and irreparable injury unless the registrations of the Respondents as an investment adviser and an investment adviser representative are immediately and summarily postponed pending final determination of this proceeding to permanently deny such registrations and bar Respondent White from association with an investment adviser commenced by the filing of the Administrative Petition.

BASED UPON THE FOREGOING findings of fact, the Administrator makes the following:

CONCLUSIONS OF LAW

1. The Administrator has statutory authority pursuant to N.C.G.S. §78C-19(c) to issue summary Orders postponing or suspending registrations in North Carolina of registrants, investment advisers and investment adviser representatives, pending a final determination of a proceeding under N.C.G.S. §§78C-19(c) and 78C-19(f).

2. There is reasonable cause to believe that Respondents are disqualified from registration as investment advisers and investment adviser representatives in North Carolina, pursuant to N.C.G.S. §§78C-19(a)(2)(b), 19(a)(2)(g) and 19(a)(2)(i).

3. The Administrator finds the entry and issuance of this Order to be in the public interest, for purposes of N.C.G.S. §78C-19(a)(1).

4. The entry and issuance of this Order 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 the North Carolina Investment Advisers Act.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the authority contained in N.C.G.S. §§78C-19(c) and 78C-19(f), that, pending a final determination in this proceeding, the North Carolina registration of Respondent American Capital Advisors L.L.C. as an investment adviser, be, and hereby is, postponed;

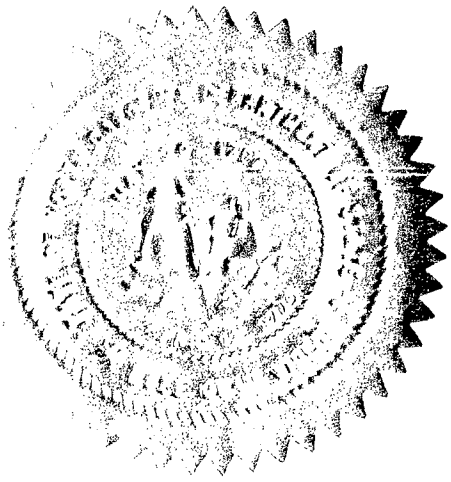
AND IT IS FURTHER ORDERED, pursuant to said authority, that, pending a final determination in this proceeding, the automatic North Carolina registrations as an investment adviser representative of Respondent Richard Duane White, and any and all other persons and entities occupying the status or function of executive officer or director of Respondent American Capital Advisors L.L.C., be, and hereby are, postponed.

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 pleading, or submission is received by the Deputy Securities Administrator within

thirty (30) business days of the receipt of service hereof, this Order of Summary Postponement 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 20th day of March, 2008.

Time of entry: 12:34 P. M.



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

By: _____
DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR