STATE OF NORTH CAROLINA

Department of The Secretary of State

THE NORTH CAROLINA SECURITIES DIVISION,	)	
Petitioner,	)	**FINAL ORDER**
vs.	)	
JOTHAM WALKER PRUITT; CINCHPOINT, INC., d/b/a CINCHPOINT FINANCIAL SERVICES; and RAMSES CAPITAL PARTNERS, LLC,	)	**FILE NO. 08-SEC-141**
Respondents.	)	

WHEREAS, CINCHPOINT, INC. d/b/a CINCHPOINT FINANCIAL SERVICES (hereinafter, "Cinchpoint") is a corporation organized and existing under the laws of North Carolina that maintained its principal office at 21 West Colony Place, Suite 150, Durham, North Carolina, 27705; and

WHEREAS, RAMSES CAPITAL PARTNERS, LLC (hereinafter, Ramses) is a limited liability company organized and existing under the laws of Delaware that maintained its principal office at 21 West Colony Place, Suite 150, Durham, North Carolina, 27705; and

WHEREAS, JOTHAM WALKER PRUITT (hereinafter, "Pruitt") is a natural person residing in Durham County, North Carolina, and

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

WHEREAS, the Respondents elect to permanently waive any right to judicial review or a hearing and appeal under Chapter 78A (the North Carolina Securities Act), Chapter 78C (the

North Carolina Investment Advisers Act), or Chapter 150B of the North Carolina General Statutes (the Administrative Procedure Act) with respect to this Final 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, with the consent of the Respondents and in settlement of the Petition, Order of Summary Suspension and Temporary Order to Cease & Desist, dated March 2, 2010, does hereby enter into this Final Order against the Respondents.

I.
JURISDICTION AND CONSENT

Respondents admit the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order, consent to the entry of this Final 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 an investigation into certain activities undertaken by the Respondents:

1. Respondent **PRUITT** resides in Durham County, North Carolina. Respondent Pruitt has been registered with the Administrator as a securities salesman pursuant to the North Carolina Securities Act since 2001. Respondent Pruitt was last actively registered as a representative of BrokersXpress, LLC, a registered securities dealer, between December 2007 and the end of December 2008. Since 2005, Respondent Pruitt has been a registered investment adviser representative for Cinchpoint pursuant to the Investment Advisers Act, except for those periods in which the registration of Respondent Cinchpoint expired due to its failure to renew its registration.

2. Respondent **CINCHPOINT** is a North Carolina corporation under the primary ownership and control of Respondent Pruitt and has, since 2005, has been registered with the Administrator as an investment adviser pursuant to the Investment Advisers Act, except for those periods in which its registration expired due to its failure to renew its registration.

3. Respondent **RAMSES** is a limited liability company formed under the laws of the State of Delaware. Respondent Ramses obtained a certificate of authority to transact business in North Carolina in 2006 and is managed by Respondent Cinchpoint under the control of Respondent Pruitt in North Carolina.

4. Between August 2006 and March 2, 2010, Respondents Cinchpoint and Pruitt operated Respondent Ramses as a "hedge fund" by selling limited liability company memberships in Respondent Ramses to persons in North Carolina and undertaking to invest the proceeds of those sales for the purpose of achieving "long term capital appreciation." Respondent Cinchpoint acted as the manager of Respondent Ramses and as the investment adviser to Respondent Ramses.

5. Respondent Ramses, between August 2006 and October 2008, claimed in its solicitation materials to be exempt from federal and state securities registration. Respondent Ramses, prior to October 2008, made no filing, for registration or exemption from registration, with the United States Securities and Exchange Commission or with the Administrator. The limited liability company memberships offered by Respondent Ramses and sold by Respondents Pruitt and Cinchpoint were securities within the meaning of N.C.G.S. §78A-2(11) and 18 NCAC 06A .1510 (formerly 18 NCAC 06 .1510).

6. In October 2008, Respondent Ramses made a late notice filing with the Administrator of an offering by Respondent Ramses of securities it issues pursuant to a claimed exemption under Regulation D, Rule 506, of the United States Securities and Exchange Commission. The late notice filing was made in violation of N.C.G.S. §78A-31(b).

7. Respondents Ramses, Pruitt and Cinchpoint offered and sold the securities of Respondent Ramses to residents of North Carolina between August 2006 and October 2008 without registration with the Administrator.

8. Respondents Cinchpoint and Pruitt, as an investment adviser and investment adviser representative respectively, having custody and control of client assets, including, but not limited to the assets of Respondent Ramses, were required by 18 NCAC 06A .1802(a)(6) (formerly 18 NCAC 06 .1802) to obtain an annual audit from an independent certified public accountant that identifies and verifies all client funds held and to file that report with the Administrator within 90 days of the end of Cinchpoint's fiscal year. Respondents Cinchpoint and Pruitt failed to obtain this required audit in 2005, 2006, 2007, 2008 and 2009.

9. In 2008 the member equity in Respondent Ramses was slightly in excess of $2 million dollars and approximately half of this equity had been invested into promissory notes. Two notes are in default.

10. In 2008, an agent of the Administrator conducted an audit of Respondents' books and records. Such records as were provided by Respondent Cinchpoint and Respondent Pruitt, together with the explanations provided to the auditor by Respondent Pruitt, revealed the following violations of the statutes and rules governing investment advisers and investment adviser representatives under the Investment Advisers Act:

(a) with respect to 36 clients who paid investment adviser fees in cash, no written financial plan, only an oral presentation, was given to these clients; and no information on these clients, except a name and amount of fee paid, was kept beyond thirty (30) days, after which all other information about these clients was destroyed. Respondents' actions violated N.C.G.S. §78C-18(a), N.C.G.S. §78C-19(a)(2)(g), NCAC 06A .1706(d) and (e)

(formerly 18 NCAC 06 .1706), and 18 NCAC 06A .1801(a)(16) (formerly 18 NCAC 06 .1801), and

(b) Respondent Cinchpoint, under the control of Respondent Pruitt, for the period of October 2005 through April 2007, while holding securities belonging to its investment adviser clients and at the same time being authorized to make discretionary investments, failed to either possess the net worth required by 18 NCAC 06A .1704 (formerly 18 NCAC 06 .1704) or to timely obtain the bond required in lieu thereof by 18 NCAC 06A .1705 (formerly 18 NCAC 06 .1705).

11. On January 24, 2007, Respondent Pruitt had his name legally changed from Abner Adam Pruitt to Jotham Walker Pruitt. Despite the change in name, Respondent Pruitt in April 2007 opened a "broker dealer securities account" in the name of Respondent Ramses with Penson Financial Services, Inc., a securities dealer registered in North Carolina. When opening this account Respondent Pruitt furnished to Penson Financial Services, Inc., a North Carolina driver license in the name of "Abner Adam Pruitt."

12. The Respondents have violated or failed to comply with the provisions of Chapters 78A and 78C and the rules promulgated thereunder.

13. The Securities Administrator finds that the entry of this Final 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 Securities Act and the North Carolina Investment Advisers Act.

III.
CONCLUSIONS OF LAW

1. The Secretary has statutory authority pursuant to N.C.G.S. §78C-19(a) to enter and issue a revocation of the investment adviser registration of Respondent Cinchpoint and the investment adviser representative registration of Respondent Pruitt.

2. There is reasonable cause to believe each Respondent has engaged in violations of the North Carolina Securities Act and Investment Advisers Act.

3. The Securities Administrator finds that the entry of this Final 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 Securities Act and the North Carolina Investment Advisers Act.

IV.
ORDER

NOW, THEREFORE, with the consent and agreement of the Respondents without admitting or denying any of the facts and allegations contained herein, it is **HEREBY ORDERED AND AGREED** that:

a. the investment adviser registration of Respondent **CINCHPOINT, INC. d/b/a CINCHPOINT FINANCIAL SERVICES** shall be revoked;

b. the investment adviser representative registration of Respondent **JOTHAM WALKER PRUITT** shall be revoked;

c. Respondent Pruitt may apply after the date of this Order for registration as a securities salesman and/or an investment adviser representative under supervision of a securities dealer registered under Chapter 78A and/or an investment adviser registered or notice filed under Chapter 78C;

d. Respondent Pruitt may apply for registration as a principal of an investment adviser or securities dealer after March 2, 2014;

e. Within twenty (20) days of this Order, Respondent Cinchpoint, as a managing member of Respondent Ramses, shall provide the Administrator with documentation pursuant to 18 NCAC 06A .1705(c) to show that Respondent Cinchpoint is in compliance with 18 NCAC 06A .1705(a) and Respondent Cinchpoint shall remain in compliance with 18 NCAC 06A .1705(a) until the occurrence of one of the following "terminating events" : (1) the final distribution to the investors in Respondent Ramses of the investment portfolio held by Respondent Ramses; (2) the termination of custody and discretionary authority of Respondent Cinchpoint; (3) the substitution of a new managing member for Respondent Cinchpoint as managing member of Respondent Ramses; or (4) waiver by the Administrator. Until the occurrence of a "terminating event," Respondent Cinchpoint shall provide to the investors in Respondent Ramses a periodic report no less frequently than quarterly reporting on the current positions, expenses and distributions, and on-going efforts to liquidate or collect on positions in the portfolio of Respondent Ramses;

f. Respondents, **CINCHPOINT, INC. d/b/a CINCHPOINT FINANCIAL SERVICES, RAMSES CAPITAL PARTNERS, LLC** and **JOTHAM WALKER PRUITT** shall cease and desist from violating any statute, rule or regulation promulgated under the North Carolina Securities Act or Investment Advisers Act;

g. Subject to the restrictions on reapplication expressly provided herein, this Final Order shall not otherwise serve as the sole basis for a proceeding under N.C.G.S. 78A-39 or N.C.G.S. 78C-19;

h. This Final Order concludes the investigation by the Securities Division against Respondents and any other action that the Securities Division could commence under the North Carolina Securities Act or the North Carolina Investment Advisers Act on behalf

of the State of North Carolina against Respondents based upon information in the possession of the Securities Division at the time of the Final Order. Nothing herein shall prevent the Securities Division from initiating an investigation or action based upon new information received after the date of the Final Order; and

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

Respondents, by execution of this Final Order, waive any right to a hearing or judicial review thereof. Said Respondents affirmatively state that they have freely agreed to the signing of this Final 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 Final Order.

Respondents specifically acknowledge that no promises or representations 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 with respect to the Respondents' ability to comply with the provisions of the North Carolina Securities Act and the North Carolina Investment Advisers Act.

This Final 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 June 2011.

Time of entry: 10:26 A.M.

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

DAVID S. MASSEY V
DEPUTY SECURITIES ADMINISTRATOR

CONSENT TO ENTRY OF FINAL ORDER
BY JOTHAM WALKER PRUITT

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

2. **JOTHAM WALKER PRUITT** admits the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order, consents to entry of this Final Order by the Secretary of State.

3. **JOTHAM WALKER PRUITT** states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Final Order and that he has entered into this Final Order voluntarily.

4. **JOTHAM WALKER PRUITT** 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 10 day of June, 2011.

By: _____
JOTHAM WALKER PRUITT

SUBSCRIBED AND SWORN TO before me this 10th day of June, 2011.

_____
Notary Public

My Commission expires: 11-22-2013

KIM D. HOBGOOD NOTARY PUBLIC WAKE COUNTY, NC

CONSENT TO ENTRY OF FINAL ORDER BY CINCHPOINT, INC. D/B/A CINCHPOINT FINANCIAL SERVICES

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

2. **CINCHPOINT, INC.** admits the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order; and consents to entry of this Final Order by the Secretary of State.

3. **CINCHPOINT, INC.** states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Final Order and that it has entered into this Final Order voluntarily.

4. **CINCHPOINT, INC.** 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.

Jotham W Pruitt represents that he/she is President of **CINCHPOINT, INC.** and that, as such, has been authorized by **CINCHPOINT, INC.** to enter into this Order for and on behalf of **CINCHPOINT, INC.**

Dated this 10 day of June, 2011.

By: Jotham W Pruitt

Title: President

SUBSCRIBED AND SWORN TO before me this 10th day of June, 2011.

Kim D. Hobgood

Notary Public

KIM D. HOBGOOD NOTARY PUBLIC WAKE COUNTY, NC

My Commission expires: 11-22-2013

CONSENT TO ENTRY OF FINAL ORDER BY RAMSES CAPITAL PARTNERS, LLC

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

2. **RAMSES CAPITAL PARTNERS, LLC** admits the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order; and consents to entry of this Final Order by the Secretary of State.

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

4. **RAMSES CAPITAL PARTNERS, 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.

Jotham W Pruitt represents that he/she is President of Cinchpoint Inc the managing member of of **RAMSES CAPITAL PARTNERS, LLC** and that, as such, has been authorized by **RAMSES CAPITAL PARTNERS, LLC** to enter into this Order for and on behalf of **RAMSES CAPITAL PARTNERS, LLC.**

Dated this 10 day of June, 2011.

By: John W Pruitt

Title: President of Cinchpoint, managing member of Ramses Capital Partners

SUBSCRIBED AND SWORN TO before me this 10th day of June, 2011.

Kim D. Hobgood

Notary Public

My Commission expires: 11-22-2010

KIM D. HOBGOOD NOTARY PUBLIC WAKE COUNTY, NC