THE NORTH CAROLINA SECURITIES DIVISION,	)	
Petitioner,	)	**FINAL ORDER TO**
	)	**CEASE AND DESIST**
vs.	)	**AGAINST**
	)	**MICHAEL A. SMITH**
MICHAEL A. SMITH and CARR MILLER CAPITAL, LLC	)	
Respondents.	)	**FILE NO. 10SEC217**

THIS CAUSE coming on before the undersigned, upon the record in the above-captioned matter, to consider the request made in the Administrative Petition filed in this matter on February 11, 2011, for issuance of a Final Order to Cease and Desist against Respondent Michael A. Smith ordering Respondent Michael A. Smith to cease all violations of the North Carolina Securities Act; and

BASED UPON the record in this administrative proceeding, the undersigned makes the following:

FINDINGS OF FACT

1. On February 11, 2011, Petitioner, the Securities Division of the North Carolina Department of the Secretary of State, commenced this proceeding and filed an Administrative Petition containing certain allegations against Respondents Michael A. Smith and Carr Miller Capital, LLC, in which Petitioner requested both temporary and permanent relief pursuant to N.C.G.S. §78A-47(b)(2).

2. On February 11, 2011, the Administrator, through her Deputy Securities Administrator, issued and entered a Temporary Order to Cease and Desist against Respondents Smith and Carr Miller Capital, LLC in this matter.

3. On February 11, 2011, Petitioner, through one of its agents, personally served Respondent Smith with a copy of the Administrative Petition, Affidavit Supporting Petition, Temporary Order to Cease and Desist, and Notice of Rights and Opportunity for a Hearing. This service of pleadings and notices complied with N.C.G.S. §78A-63(g).

4. The Notice of Rights and Opportunity for a Hearing served upon Respondent Smith informed him that, upon failure to request a hearing in writing, file a responsive pleading, or make a submission within thirty (30) business days following service, that the Temporary Order to Cease and Desist shall become final and remain in effect unless modified or vacated by the Administrator.

5. Respondent Smith has failed to file a request for hearing, responsive pleading, submission, or otherwise appear in this administrative proceeding within the time allowed by N.C.G.S. §78A-47(b)(2).

6. The Temporary Order to Cease and Desist issued on February 11, 2011 in this matter, including the Findings of Fact and Conclusions of Law therein, is hereby incorporated by reference thereto and is attached hereto as "Exhibit A."

7. It is necessary for the protection of investors and the public interest consistent with the purposes of the Securities Act, that the Temporary Order to Cease and Desist issued in this matter be made permanent and final.

BASED ON THE FOREGOING Findings of Fact, the undersigned makes the following:

CONCLUSIONS OF LAW

1. The Administrator has jurisdiction over the person of Respondent Smith and over the subject matter of this proceeding.

2. The Administrator has statutory authority pursuant to N.C.G.S. §78A-47(b)(2) to enter and issue a Final Order making permanent the terms and conditions of the Temporary Order to Cease and Desist previously entered in this matter against Respondent Smith in light of Respondent Smith's failure to request a hearing, file a responsive pleading, or otherwise contest this matter.

3. Respondent Smith has violated N.C.G.S. §§78A-24 and 78A-36 by offering and selling unregistered promissory notes issued by Carr Miller Capital, LLC to North Carolina residents.

4. Respondent Smith is now subject to the entry of a Final Order to Cease and Desist by operation of law under N.C.G.S. §78A-47(b)(2).

5. The entry of a final and permanent order to Cease and Desist under the provisions of the Securities Act against Respondent Smith is necessary to protect investors, is in the public interest, and consistent with the purposes of the Act.

BASED UPON THE FOREGOING Findings of Fact and Conclusions of Law, the Administrator hereby enters the following:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED pursuant to the authority contained in N.C.G.S. §78A-47(b)(2) that Respondent Smith be, and hereby is permanently ORDERED that:

a. Respondent Michael A. Smith shall cease and desist from offering for sale, soliciting offers to purchase, or selling, any securities of any issuer, howsoever denominated, including, but not limited to the securities of Carr Miller Capital, LLC, unless and until such securities shall have been registered pursuant to the provision of the Securities Act; and

b. Respondent Michael A. Smith shall cease and desist from offering or soliciting offers to purchase, or selling, any securities of any issuer, howsoever denominated, including, but not limited to the securities of Carr Miller Capital, LLC, unless and until he is properly registered as a securities dealer or salesman under the provisions of the Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 3rd day of June, 2011.

Time of entry: 9:34 A.M.

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

By:
DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR

Exhibit A

THE NORTH CAROLINA SECURITIES DIVISION, Petitioner,	
	TEMPORARY ORDER
	TO
vs.	**CEASE AND DESIST**
MICHAEL A. SMITH and CARR MILLER CAPITAL, LLC	
	FILE NO. 10SEC217
Respondents.	

Pursuant to the authority granted by Chapter 78A of the North Carolina General Statutes (the North Carolina Securities Act), hereinafter referred to as the "Securities Act," and the rules promulgated thereunder, the Securities Division of the Department of the Secretary of State, hereinafter referred to as the "Securities Division," has investigated the activities of **MICHAEL A. SMITH** and **CARR MILLER CAPITAL, LLC** (hereinafter, the "Respondents") to determine if any one of them have engaged in, or are about to engage in, any act or practice constituting a violation of the Securities Act or any rule or order thereunder.

THE SECURITIES DIVISION has filed an Administrative Petition against the above-named Respondents seeking, among other remedies, a temporary and summary Cease and Desist Order pursuant to the provisions of N.C.G.S. §78A-47(b)(2).

THE SECRETARY OF STATE, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therein, and for the protection and preservation of the public welfare and in the public interest, makes the following:

FINDINGS OF FACT

1. Respondent **CARR MILLER CAPITAL, LLC** (hereinafter "Carr Miller" or "Respondent") is a limited liability company formed on June 26, 2006 in the State of New Jersey.

2. Respondent **MICHAEL A. SMITH** (hereinafter "Smith" or "Respondent") resides in Castle Hayne, North Carolina. Smith is the owner of Blue Water Insurance Group, LLC (hereinafter "Blue Water Insurance") located at 3801 Wrightsville Avenue, Wilmington, North Carolina.

3. Carr Miller was registered with the state of New Jersey as an Investment Adviser d/b/a Capital Markets Advisory, LLC (hereinafter "Capital Markets"). In December 2010, the State of New Jersey revoked Capital Market's registration as an investment adviser. The New Jersey Bureau of Securities concluded as a matter of law that Capital Markets sold securities that were not registered with the State of New Jersey and affiliated persons (Brian Carr, Everett Miller, and Ryan Carr) of Capital Markets made materially false and misleading statements and/or omitted material facts to investors in connection with the offer and sale of securities. Carr Miller is not registered in North Carolina as either an "investment adviser" under N.C.G.S. § 78C-16 or as a "dealer" under N.C.G.S. § 78A-36.

4. Smith is licensed by the North Carolina Department of Insurance (License Number: 2392694) to sell various insurance products. Smith is not registered with the Securities Administrator as a "salesman" in North Carolina, and Blue Water Insurance is not registered with the Securities Administrator as a "dealer" to sell securities under N.C.G.S. § 78A-36.

5. Smith, acting as a salesman for Carr Miller, offered and sold promissory notes issued by Carr Miller in North Carolina. Smith offered and sold at least five (5) promissory notes in North Carolina between May 22, 2008 and September 15, 2008. The five (5) promissory notes identified were sold in North Carolina to North Carolina residents.

6. The offer and sale of the investments noted above and as described herein, constitute the "offer" and "sale" of "securities," as those terms are defined pursuant to N.C.G.S. §§ 78A-2(8) and 78A-2(11).

7. The promissory notes 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 being offered and sold in North Carolina, as required by N.C.G.S. §78A-24.

8. Carr Miller has never been registered as a "dealer" to sell securities in North Carolina, as required by N.C.G.S. §78A-36(a). Smith has never been registered as a "salesman" to sell securities in North Carolina, as required by N.C.G.S. §78A-36(a).

9. It is in the public interest of the citizens of North Carolina and for the protection of investors that Respondents be prohibited from violating the provisions of the Securities Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities.

10. 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-24 and 78A-36.

11. The Respondents' solicitation of investors poses an immediate and significant danger to the public welfare because the securities offered have not been registered with the Division. Proper registration of securities is an essential safeguard serving to protect the public from securities fraud. In addition, the registration as a dealer or salesman, as required by the Securities Act, is essential to ensure that persons transacting business in this State are competent and properly authorized to do so.

12. An immediate Temporary Order to Cease and Desist is necessary and appropriate to address Respondents' violations of the North Carolina Securities Act. Any delay in issuing an order under N.C.G.S. §78A-47(b)(1) will result in irreparable harm to the public interest by allowing 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.

CONCLUSIONS OF LAW

1. The Secretary has statutory authority pursuant to N.C.G.S. §78A-47(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 North Carolina Securities Act, specifically N.C.G.S. §§78A-24 and 78A-36.

3. There is reasonable cause to believe the Respondents will continue to commit acts and omissions in violation of the North Carolina Securities Act.

4. It is necessary and appropriate for the protection and preservation of the public interest that the Respondents are temporarily and summarily ordered to cease and desist from making offers and sales of securities in violation of the North Carolina Securities Act.

5. 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).

NOW, THEREFORE, IT IS ORDERED, pursuant to the authority contained in N.C.G.S. §78A-47(b)(2), that Respondents shall immediately cease and desist from:

a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, promissory notes or any other security, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the Securities Act; and

b. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, promissory notes or any other security, howsoever denominated, unless and until Respondents become registered pursuant to the provisions of the Securities Act as dealers or salesmen.

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 Christopher B. Rawls, 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 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 11th day of February, 2011.

Time of entry: 11:24 A.M.

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

By: _____
DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR