

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES BOARD

Investment Advisory Center, Inc.,
IARD #153495, and

Jesse Clifton Dove,
CRD #1661883,

Respondents.

RULE TO SHOW CAUSE

File Number 13045

WHEREAS the Securities Division of the Office of the Attorney General of the State of

3. Respondent Investment Advisory Center, Inc. ("IAC") is a South Carolina company with a last known business address of Coosaw Creek Country Club, 8757 E. Fairway Woods Circle, North Charleston, South Carolina 29420.
4. Dove is currently registered as an investment advisor representative with the Division and has been registered as such since March 8, 1993.

5. IAC is registered as an investment advisor with the Division and has been registered as such

since March 8, 1993.

6. Dove, at all times relevant to this order, was owner, registered agent, an associated investment adviser representative, and principal control person of IAC (collectively, Dove and IAC may be referred to within as the "Respondents").

III. FACTUAL BACKGROUND

7. On or about May 21, 2013, the Division notified Dove of its intent to conduct the onsite portion of a special audit of IAC.
8. On or about May 29, 2013, the Division, by and through Auditor Richard Broad (the "Examiner"), conducted the onsite portion of a special audit of IAC (the "May, 2013, Audit")

12. The only advisory agreement for the KC FG Account indicates an advisory fee of 1.50% and

was agreed upon by KC, FG, and Dove, on July 6, 2004.

13. No other advisory agreement was found during the audit, and no other agreement was offered by the Respondents or KC.

14. During the course of the May, 2013, Audit, Dove stated he had increased the advisory fee for the KC FG Account on two occasions, first from 1.50% to 2.00% then to 2.00%

constitute dishonest or unethical practices by investment advisers and investment advisers

representatives:

- a. (1) Recommending to a client to whom investment supervisory, management or

consulting services are provided the purchase, sale or purchase of any security

of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities, to employ a device, scheme, or artifice to defraud another person, or to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

33. Pursuant to S.C. Code Ann. § 35-1-411(c), investment advisers registered or required to be registered under the Act shall make and maintain required accounts, correspondence,

34. Pursuant to S.C. Code of Regulations R. 13-408(A)(18), investment advisers registered or required to be registered under the Act shall make and keep true, accurate, and current written information about each investment advisory client that is the basis for making any recommendation or providing any investment advice to such client.

35. Pursuant to S.C. Code of Regulations R. 13-408(A)(10) investment advisers registered or required to be registered under the Act shall make and keep true, accurate, and current a copy in writing of each agreement entered into by the investment adviser with any client, and all other written agreements otherwise relating to the investment adviser's business as an investment adviser.

36. Pursuant to S.C. Code of Regulations R. 13-502(B), engaging in conduct such as non-

the account holders, in violation of S.C. Code Ann. § 35-1-412(d)(13) and S.C. Code of

Regulations R. 13-502(A)(8).

38. On at least one occasion, the Respondents charged clients KC and EC through the KC

FG Account and client RV an advisory fee that is unreasonable in violation of S.C. Code

Ann. § 35-1-412(d)(13) and S.C. Code of Regulations R. 13-502(A)(10).

39. On at least one occasion, the Respondents provided investment advisory services for

do not state the advisory fee or formula for computing the fee and do not disclose whether
the contract provides for a fee

NOTICE AND OPPORTUNITY FOR A HEARING

Each Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Theresea Noyes, within thirty (30) days of the date of service of

this Rule to Show Cause, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent will schedule the hearing. On that date, the Respondent must appear in person or by counsel at the hearing. Failure to appear at the hearing will result in a default judgment being entered against the Respondent.

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the State of South Carolina

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