ADMINISTRATIVE PROCEEDING BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA IN THE MATTER OF:

Cape Securities, Inc.
CRD #7072,

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Respondent.) ~~~~~~~~~~~~~-)

RULE TO SHOW CAUSE

File Number: 13069

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), has been authorized and directed by the Securities Commissioner of South Carolina (the "Securities Commissioner") to administer the provisions of S.C. Code Ann. § 35-1-101, et seq., the South Carolina Uniform Securities Act of 2005 (the "Act"); and
WHEREAS, the Division alleges the following:
I. Jurisdiction

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C.
Code Ann.§ 35-l-60l(a).
II. Respondent
2. Respondent Cape Securities, Inc. is a corporation registered m the State of
Georgia and located at 2005 Pennsylvania Ave., McDonough, GA.
3. Respondent is a broker-dealer registered with the Financial Industry Regulatory
Authority ("FINRA"), with FINRA CRD #7072.
4. Respondent is currently registered as a broker-dealer with the Division and has
been registered as such since June 10, 1992.

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III. FactualBackground
5. On or about May 16, 2013, the Division requested information from Respondent
pursuant to S.C. Code Ann. § 35-l-411(d) (the "Request for Information"), asking that a response be provided on or before June 3, 2013.
6. On or about June 17, 2013, Division Staff spoke by telephone with Michael
Lovett ("Lovett"), Respondent's Compliance Officer, who stated that he would forward Respondent's answer to the Request for Information to the Division by June 21, 2013.
7. On or about June 21, 2013, Lovett requested another week with which to provide
the Division with Respondent's answer to the Request for Information.
8. On or about July 22, 2013, the Request for Information having not yet been
answered, Lovett requested that Respondent be given until August 1, 2013 to provide its answer to the Request for Information.
9. Respondent failed to comply with the August I, 2013 deadline.
I 0. Respondent, as of the date of this Rule to Show Cause, has yet to provide its
answer to the Request for Information.
11. Respondent's continuing failure to provide its answer to the Request for
Information is impeding the Division's inspection.
IV. Applicable Law
12. The South Carolina Uniform Securities Act of2005, S.C. Code Ann.§ 35-1-101,
et seq. (the "Act"), governs the offer and sale of securities within the State of South Carolina.
13. Pursuant to S.C. Code Ann. § 35-l-41l(d), the Securities Commissioner or his
designee may inspect the records of a broker-dealer registered with the Division.
14. Pursuant to S.C. Code Ann. § 35-l-412(b), the Securities Commissioner may

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revoke the registration of a registrant if it is determined that that registrant's condnct violated S.C. Code Ann.§ 35-1-412(d)(8) by impeding an inspection under Section 41 l(d).
15. Pursuant to S.C. Code Ann.§ 35-1-412(c), ifthe Securities Commissioner finds
that the order is in the

In the event an answer and written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an order revoking Respondent's broker-dealer registration will be entered in this proceeding with no further notice.
Respondent is further notified that by seeking the issuance of an order revoking Respondent's broker-dealer registration and assessing an appropriate fine, the Division is not waiving any rights it may have to pursue additional remedies available to it for violations of the Act committed by Respondent not enumerated herein.

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ENTERED, this the_~ __ day of August, 2013.
Columbia, South Carolina

By: C:;\'l()GlJ 'tl"~-t:;t'--t/;:, TRACY A. MEYERS
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