COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2011-AH-0185

DEPARTMENT OF FINANCIAL INSTITUTIONS COMPLAINANT

vs.

SUNBELT SECURITIES, INC. RESPONDENT

AGREED ORDER

* * * * * * * * * * * * * *

1. The Department of Financial Institutions ("DFI") is the public agency of the state of Kentucky charged with the enforcement of KRS Chapter 292, the Kentucky Securities Act ("the Act").

2. Sunbelt Securities, Inc. ("Respondent") is a registered broker-dealer and registered investment adviser, with its principle office located at 5065 Westheimer Road, Suite 600, Houston, Texas 77056.

3. The Respondent has a branch location at 1926 Carter Avenue, Ashland, Kentucky 41101 ("Ashland branch").

4. On August 15, 2011, DFI conducted a routine examination of Respondent's Ashland branch.

5. DFI discovered that Chandis D. Ferguson, II ("Mr. Ferguson"), acted as an investment advisor representative for Respondent beginning in October, 2009, but was not registered as an investment advisor representative, pursuant to KRS 292.330(11), until October 12, 2011, when DFI conditionally registered him. Mr. Ferguson received advisory fees during the period in which he was not registered as an investment adviser representative for Respondent. Mr. Ferguson was registered during the referenced time period as the associated person of a broker-dealer with Respondent in compliance with KRS 292.330(7).

AGREEMENT AND ORDER

The DFI and Respondent, in the interest of economically and efficiently resolving the violations and discrepancies described above, agree as follows:

1. Respondent agrees to a fine assessment in the amount of $15,770.76.

2. Respondent agrees to and shall pay the total fine assessed herein of $15,770.76, which shall be due on the date Respondent signs the Agreed Order and returns it to DFI. The payment shall be made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

3. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 10.

4. Respondent waives its right to demand a hearing at which Respondent would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

5. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

6. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons

or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

7. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

8. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 30th day of November, 2011.

CHARLES A. VICE
COMMISSIONER

Consented to:

This 28 day of November, 2011.

Shonita Bossier, Director
Division of Securities
Department of Financial Institutions

This 9 day of November, 2011.

Authorized Representative
Sunbelt Securities, Inc.

ACKNOWLEDGEMENT

STATE OF Texas)
)
COUNTY OF Harris)

On this the 9 day of November, 2011, before me Heidi Latham, the undersigned, Patrick Smelek, did personally appear and acknowledge himself/herself to be the Authorized Representative of Sunbelt Securities, Inc., and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 11·21·2012

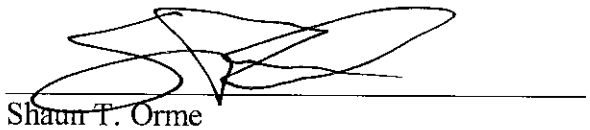
HEIDI LATHAM
MY COMMISSION EXPIRES
November 21, 2012

Heidi Latham
Notary Public

Certificate of Service

I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 1st day of December, 2011, by certified mail, to the following:

John R. Fahy, Esq.
Whitaker Chalk Swindle & Schwartz, PLLC
301 Commerce Street, Ste. 3500
Fort Worth, TX 76102



Shaun T. Orme
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Frankfort, Kentucky 40601
502-573-3390 ext. 282 (phone)
502-573-2183 (facsimile)