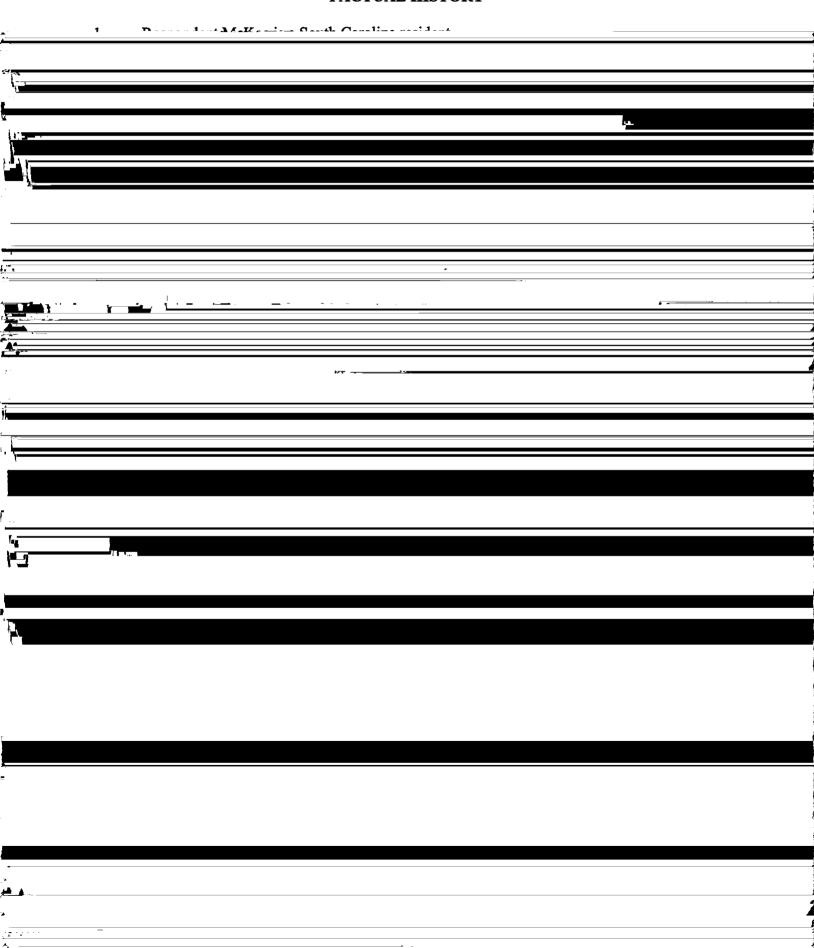
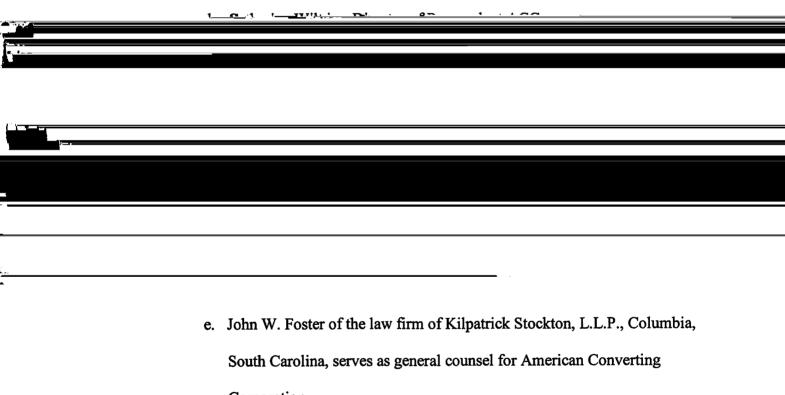
BEFORE THE SECURITIES COMMISSIONER OF SOUTH CAROLINA IN THE MATTER OF: ORDER TO CEASE AND DESIST Peter L. McKee File No. 07028 and **American Converting Corporation,** Respondents.

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2005), on or

FACTUAL HISTORY



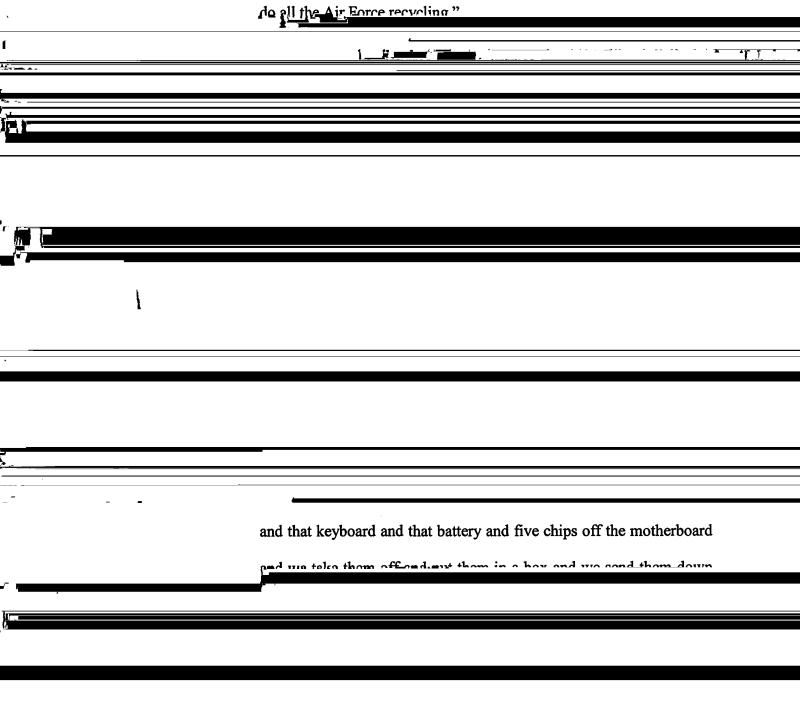
- 8. In offering materials distributed in connection with offers and sales of ACC shares,
 Respondent McKee, acting on behalf of himself and Respondent ACC, made false or
 misleading statements of material fact, including but not limited to the following:
 - a. "Peter [McKee] received his B.S. in Engineering and his MS from Ohio State University."
 - b. "Mr. McKee co-founded the Data I/O Corp."
 - c. The term "unmanufacturing" has been trademarked by ACC to "describe its unique disassembly technique".

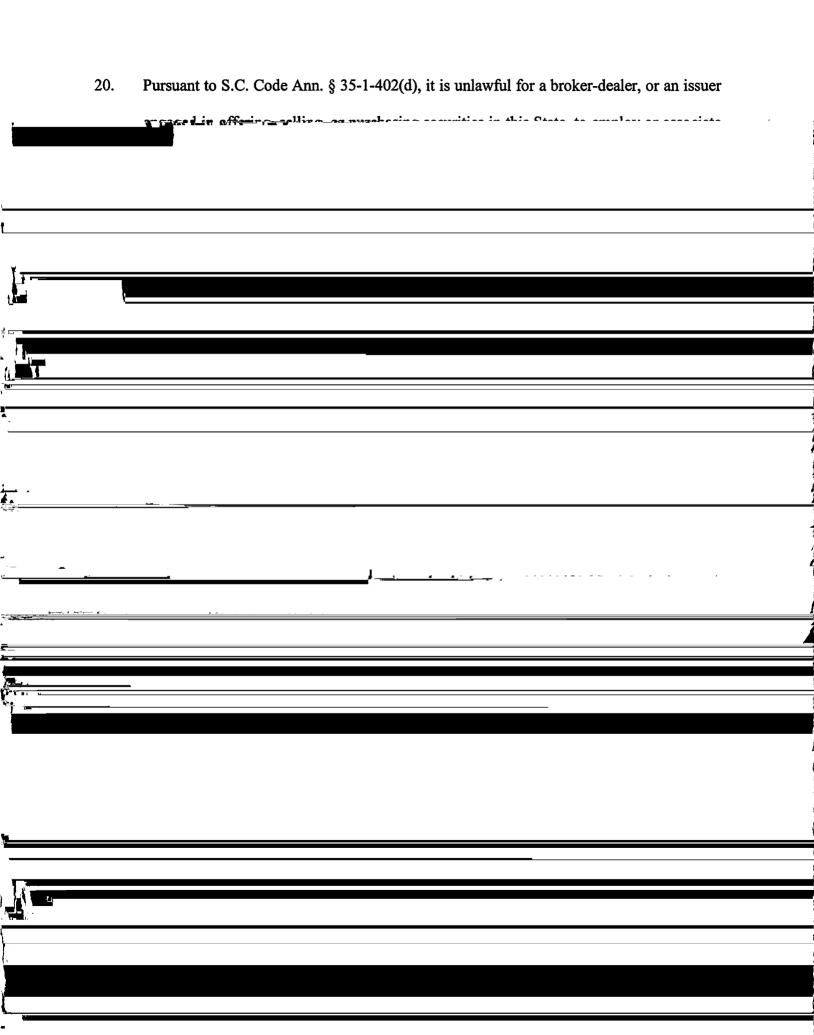


Corporation.

v ·	c. McKee has not paid any distribution, of any kind, to any shareholders
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10.	d. McKee has filed for bankruptcy multiple times. In a letter to investor TB, a South Carolina resident, Respondent McKee, acting on behalf of himself and Respondent ACC made several false or misleading claims including but
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	a. "I have agreed to personally guarantee your \$20,000 investment in American Converting Corp. This guarantee will be backed up with the assets of my family trust. The name of the trust is MACH II

c. "We just got an award from Shaw Air Force Base as vendor of the year for what we're doing. And the head shed from the Air Force he was down there on other business, nothing to do with us, but he's the one that just gave me the award three weeks ago. We





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- b. Respondents violated S.C. Code Ann. § 35-1-301 by offering securities in and from the State of South Carolina when the securities offered by Respondents are not now and during the time period of their offering in and from the State of South Carolina were not registered for sale in or from the State of South Carolina.
- c. Respondents violated S.C. Code Ann. § 35-1-401 when Respondents, who are not now and during the time of the offering described above were not registered to offer or sell securities in or from the State of South Carolina, offered and sold securities in and from the State of South Carolina.
- d. The Respondents have not asserted to the Division any claim of exemption from registration, either on their own behalf or on behalf of the security.
- Romandanta violated S.C. Code Ann. S. 25. 1. 501 and engaged in convrities from

when they (1) made misrepresentations of one or more material facts, and (2) omitted to state one or more material facts concerning themselves, their prior business experience, the security, the use of funds gathered from the investors, and past distributions to investors, in connection with the offer of the security in and from the State of South Carolina.

f. Respondents violated S.C. Code Ann. § 35-1-402 when they employed and

b. Pay a civil penalty in the amount of fifty thousand dollars (\$50,000.00) if this Order becomes effective by operation of law, or, if either Respondent seeks a hearing and a hearing officer or any other legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by each Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

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	contained herein. To schedule such a hearing, a Respondent must file with the Securities
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	Division. Post Office Box 11549. Rembert C. Dennis Building. Columbia. South Carolina
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