ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

John R. Davenport,

Respondent.

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CONSENT ORDER

File No. 10001

WHEREAS, the Securities Division of the Office ofthe Attorney General ofthe 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. 2009), on or

about January 7, 2010, received information regarding alleged activities of John R. Davenport

("Dav<.'Dport" or the "Respondent") which, if true, would constitute violations ofthe Act;

WHEREAS, the information led the Division to open and conduct an investigation into

the sccuriti<.-s-related activities of the Respondent pursuant to S.C. Code Ann. § 35-1-602;

WHEREAS, the Respondent cooperated with the Division in this investigation;

WHEREAS, in connection with its investigation, the Division detennined that the

Respondent engaged in acts or practices constituting violations of the Act; and

WHEREAS, the Respondent wishes to obtain a disposition of this matter by Consent

Order rather than by a formal hearing before the Securities Commissioner (the "Commissioner");

NOW THEREFORE, as evidenced by his signature on this Order, the Respondent hereby

accepts the jurisdiction and sanction portions of this Order and consents to entry of this Order

requiring the Respondent to Cease and Desist offering or selling securities.

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This Order is based upon the following findings of fact and conclusions of law, which
are accepted by the Respondent for purposes of entering this Order.

I. Jurisdiction
I. The Commissioner has jurisdiction over the matters herein pursuant to S.C. Code Ann. §§
35-1-101 to 35-1-703.

II. Findings of Facts
2. The Respondent is a South Carolina resident.
3. In or around the time period September, 2008, to October, 2008, while doing business in
and from South Carolina. the Respondent offered two South Carolina residents (the
.. Residents'') the opportunity to invest money in Diversified Liquid Asset Holdings, LLC ("DLAH").
4. During this period, the Respondent represented to the Residents that:
a. DLAH was engaged in gas, oil, and ethanol ventures;
b. the minimum investment in DLAH was $100,000; and
c. an investment by the Residents would be pooled with other investors' money and
pay interest of 12%.
5. The Respondent recommended that the Residents mortgage their unencumbered lake
property to obtain funds to invest in DLAH. The Respondent indicated that, if the Residents did so, DLAH would make paym<:nts on the mortgage out of the interest earned on the Residents' investment.

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6. On or about October 3, 2008, the Residents agreed to invest in the DLAH otTering,. and
gave the Respondent a check for $150,046.73 made payable to DLAH for a "DLAH Contract"

7. At the time of the offer and sale, the security offered by the Respondent and DLAH was
not registered pursuant to the Act, nor was it an exempt or federal covered security.
8. At the time of the offer and sale, the Respondent was not registered as an agent ofDLAH
pursuant to the Act
9. No claim of an exemption, exception, preemption, or exclusion from registration has
been a..'iSerted by the Respondent. or by another on his behalf. which would have negated
the requirement that the Respondent register with the Division as an agent of a securities issuer prior to engaging in the transactions described above.

Ill. Conclusions of Law
10. The investment opportunity the Respondent offered and sold to the Residents constitutes
a "sa..~rity" pursuant to S.C. Code Ann.§ 35-1-102(29).
It. The Respondent violated S.C. Code Ann. § 35-1-301 when while doing business in and
trom South C.arolina, he offered the DLAH security. which was not a registered, federal covered, or exempt security, to the Residents.
12. The Respondent violated S.C. Code Ann.§ 35-l-402(a) when he acted as an agent in and
from South Carolina while he was not registered or exempt from registration as an agent under the Act.
13. This Consent Order is appropriate, in the public interest, for the protection of investors
and consistent with the purposes fairly intended by the policy and provisions of the Act.

3

IV. Sanctions and Remedies
NOW, THEREFORE, IT IS HEREBY ORDERED, and the Respondent Davenport expressly consents and agrees that:
A. Effectively immediately, the Respondent will cease and desist from
violating the Act; and
B. Upon the Commissioner's acceptance of this Order, the Respondent will
immediately pay an administrative fine of five thousand ($5,000) doHars.
Respondent shall pay this fine in installments of five hundred dollars
($500.00) per month commencing on December l, 2010 until paid in full.
Failure to make any payment will constitute a violation of this Consent
Order.

V. Conclusion
Upon execution by the Securities Commissioner, this Order resolves Administrative Proceeding 10001 as it relates to the Respondent. CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FlUNG ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING ADMINISTRA TJVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENAL TIES. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES.

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By executing this document. the Respondent Davenport makes the following

representations:

a. He is oompetent to make the representations herein and to execute this
document;

b. He admits that the Division has jwisdiction in this matter and consents to
entry of this Consent Order, including the sanctions and remedies listed to
resolve administrative proceeding l 0001; and

c. No promise of any kind or nature whatsoever was made to induce him to
enter into this Consent Order, and he has entered into this Consent Order voluntarily.

So ORDERED Ibis~ dayof~~IO.

By:~~~- Henry Master
Securities Commissioner

WE CONSENT:

Securities Division of the Office of the Attorney General

Assistant Attorney General
Securities Division

Respondent John R. Davenport

By: /7£~. ~~-Davenport Date: /0 b& };.o! tJ -- { z

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