



## FINDINGS OF FACT

1. On January 3, 2012, Petitioner, the Securities Division of the North Carolina Department of the Secretary of State, commenced this proceeding and filed an Administrative Petition containing certain allegations against Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC, in which Petitioner requested both temporary and permanent relief pursuant to N.C.G.S. §78A-47(b)(2).
2. On January 3, 2012, the Administrator, through her Deputy Securities Administrator, issued and entered a Temporary Order to Cease and Desist against Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC in this matter.
3. On January 6, 2012, Petitioner mailed a copy of the Administrative Petition, Affidavit of David L. Rose, Affidavits of Jana M. Hightower, Temporary Order to Cease and Desist, and Notice of Rights and Opportunity for a Hearing by certified mail, return receipt requested, to each Respondent at each Respondent's last known address. This service of pleadings and notices complied with N.C.G.S. §78A-63(g).
4. On January 22, 2012, Petitioner, through one of its agents, personally served Respondent Joseph Maurice DeBerry and Sweetwater Capital Management, LLC with a copy of the Administrative Petition, Affidavit of David L. Rose, Affidavits of Jana M. Hightower, Temporary Order to Cease and Desist, and Notice of Rights and Opportunity for a Hearing. This service of pleadings and notices complied with N.C.G.S. §78A-63(g).
5. The Notice of Rights and Opportunity for a Hearing served upon Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC informed them that, upon failure to request a hearing in writing, file a responsive pleading, or make a submission within thirty (30) business days following service, that the Temporary Order to Cease and Desist shall become final and remain in effect unless modified or vacated by the Administrator.

6. Respondent Joseph Maurice DeBerry has failed to file a request for hearing, responsive pleading, submission, or otherwise appear in this administrative proceeding within the time allowed by N.C.G.S. §78A-47(b)(2).

7. Respondent Sweetwater Capital Management, LLC has failed to file a request for hearing, responsive pleading, submission, or otherwise appear in this administrative proceeding within the time allowed by N.C.G.S. §78A-47(b)(2).

8. The Temporary Order to Cease and Desist issued on January 3, 2012 in this matter, including the Findings of Fact and Conclusions of Law therein, is hereby incorporated by reference and is attached hereto as "Exhibit A."

9. It is necessary for the protection of investors, in the public interest, and consistently with the purposes of the Securities Act, that the Temporary Order to Cease and Desist issued in this matter be made permanent and final.

**BASED ON THE FOREGOING** Findings of Fact, the undersigned makes the following:

#### **CONCLUSIONS OF LAW**

1. The Administrator has jurisdiction over the person of each Respondent and over the subject matter of this proceeding.

2. The Administrator has statutory authority pursuant to N.C.G.S. §78A-47(b)(2) to enter and issue a Final Order making permanent the terms and conditions of the Temporary Order to Cease and Desist previously entered in this matter against Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC in light of each Respondents' failure to request a hearing, file a responsive pleading, or otherwise contest this matter.

3. Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC have violated N.C.G.S. §§ 78A-8, 78A-24, and 78A-36.

4. Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC are both now subject to the entry of a Final Order to Cease and Desist by operation of law under N.C.G.S. §78A-47(b)(2).

5. The entry of a final and permanent order to Cease and Desist under the provisions of the Securities Act against Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC is necessary to protect investors, is in the public interest, and consistent with the purposes of the Act.

**BASED ON THE FOREGOING** Findings of Fact and Conclusions of Law, the Administrator hereby enters the following:

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** pursuant to the authority contained in N.C.G.S. §78A-47(b)(2) that Respondents Joseph Maurice DeBerry and Sweetwater Capital Management, LLC be, and hereby are permanently ORDERED that:

a. each Respondent, and any person, employee, officer, director, entity or independent contractor under the direction or control of each Respondent, shall cease and desist offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, any securities of any issuer, howsoever denominated, including, but not limited to the securities of Respondent Sweetwater Capital Management, LLC, unless and until such securities shall have been registered pursuant to the provisions of the Securities Act; and

b. Respondent Joseph Maurice DeBerry and Respondent Sweetwater Capital Management, LLC and any person, employee, officer, director, entity or independent contractor under the direction or control of any said Respondents, shall cease and desist offering or soliciting offers to purchase, or selling, in or from North Carolina, any securities of any issuer, howsoever denominated, including, but not limited to the securities of Respondent Sweetwater Capital Management, LLC unless and until each Respondent and any person under their

respective control or direction is properly registered as a securities dealer or salesman under the provisions of the Securities Act.

c. Respondent Joseph Maurice DeBerry and Respondent Sweetwater Capital Management, LLC and any person, employee, officer, director, entity or independent contractor under the direction or control of any said Respondents, shall cease and desist from making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made not misleading, in connection with the offer, sale or purchase of any security.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 6<sup>th</sup> day of March, 2012.

Time of entry: 5:38 P.M.



ELAINE F. MARSHALL  
SECRETARY OF STATE OF NORTH  
CAROLINA and  
SECURITIES ADMINISTRATOR

By:   
DAVID S. MASSEY  
DEPUTY SECURITIES ADMINISTRATOR