



**THE DIVISION** has filed an Administrative Petition against the above-named Respondents seeking, among other remedies, a temporary and summary Cease and Desist Order as to each Respondent pursuant to the provisions of N.C.G.S. §78A-47(b)(2).

**THE SECRETARY OF STATE**, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therein, as shown in the Administrative Petition and supported by affidavit, and for the protection and preservation of the public welfare and in the public interest, makes the following:

**FINDINGS OF FACT**

(1) Respondent **SEAN FITZGERALD MESCALL** hereinafter “Respondent Mescall,” resides in Catawba County, North Carolina. Respondent Mescall does not presently hold any registration with the Division but has held a securities salesman registration in the past.

(2) Respondent **CAPITALSTREET FINANCIAL, LLC**, hereinafter “Respondent CapitalStreet,” is a Nevada limited liability company with a business office in North Carolina and has not, as of August 31, 2009, obtained a certificate of authority to do business in North Carolina from the Corporations Division of the North Carolina Department of the Secretary of State.

(3) Respondent CapitalStreet is under the primary ownership and control of Respondent Mescall.

(4) Respondents, through the personal conduct of Respondent Mescall, salespersons under his control, and an Internet site operated by Respondents, have offered, continue to offer, have sold and continue to sell, from an office located in North

Carolina to persons outside North Carolina various financial products or services since at least February 2008.

(5) The products or services offered and sold by Respondents from within North Carolina are described by Respondents as transactions in the "international Over-the-Counter Foreign Currency (foreign exchange) markets on a spot basis" and trading or investment activity in the market for gold futures contracts.

(6) These products or services take the form of an "Account Agreement" with Respondent CapitalStreet whereby Respondents would trade in these commodities futures contracts with funds provided by an investor, or a "management" arrangement by which the Respondents controlled an account opened by an investor with a registered Futures Commission Merchant (FCM). Respondents also offered to the public participation in an alleged "hedge fund" described as "Capital Protected Fixed Yield Enhancement, aka FX CD Plus." Respondents claim that fees are only charged when a profit is earned for their investors.

(7) The various account agreements and management services offered and sold by Respondents from North Carolina are securities as defined in G.S. §78A-2(11), as the products or services offered by the Respondents constitute "participation in any profit-sharing agreement" and "investment contract (s)." These activities are continuing at the present time.

(8) Respondents have never registered any form of their securities for sale in North Carolina as required by N.C.G.S. §78A-24. Respondents, from North Carolina, have in the past and continuing at the present time, offer and sell the securities of

Respondent CapitalStreet to persons outside North Carolina without registration with the Administrator in violation of N.C.G.S. §78A-24.

(9) Respondent CapitalStreet, as the “issuer” of its various securities, and Respondent Mescall, as its controlling person, have in the past and continuing at the present time, act as securities dealers within the meaning of N.C.G.S. §78A-2(2) by offering to sell and selling securities of Respondent CapitalStreet.

(10) Respondents have violated and continue to violate N.C.G.S. §78A-36 by failing to register with the Administrator as securities dealers and employ persons not registered as securities salesmen as required by law.

(11) It is in the public interest of the citizens of North Carolina and for the protection of investors that each Respondent be prohibited from violating the provisions of the Securities Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, transacting business as a securities dealer, including, but not limited to, being prohibited from offering to sell or selling the unregistered securities of Respondent CapitalStreet.

#### **CONCLUSIONS OF LAW**

(1) The Secretary has statutory authority pursuant to N.C.G.S. §78A-47(b)(2) to enter and issue a temporary and summary Cease and Desist Order against each Respondent to halt further violations of the Securities Act.

(2) There is reasonable cause to believe each Respondent has engaged in willful violations of the Securities Act, specifically N.C.G.S. §78A-24 and §78A-36.

(3) There is reasonable cause to believe each Respondent may continue to commit acts and omissions in violation of the Securities Act.

(4) It is necessary and appropriate for the protection and preservation of the public interest that each Respondent be summarily ordered to cease and desist from making offers and sales of securities in violation of the Securities Act.

(5) The public interest would be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. §78A-47(b) (1).

**NOW, THEREFORE, IT IS ORDERED**, pursuant to the authority contained in N.C.G.S. §78A-47(b) (2), that:

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

b. Respondent CapitalStreet, Respondent Mescall and any person, employee, officer, director, entity or independent contractor under the direction or control of either Respondent, shall immediately cease and desist offering or soliciting offers to purchase, or selling, any securities of any issuer, howsoever denominated, including, but not limited to the securities of Respondent CapitalStreet, 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.

**NOTICE IS HEREBY GIVEN** that each Respondent may request a hearing upon this matter by transmitting such request, in writing, to David S. Massey, Deputy Securities Administrator, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. A copy of any such request shall be served by first class mail upon Blackwell M. Brogden, Jr., Enforcement Attorney, Securities Division, Post Office Box 29622, Raleigh, North Carolina 27626-0622. If such a request is made, this matter shall be scheduled for hearing in accordance with Chapter 150B of the North Carolina General Statutes within twenty (20) days after receipt by the Deputy Securities Administrator of the written request. If no request for hearing, other responsive pleading, or submission is received by the Deputy Securities Administrator within thirty (30) business days of the receipt of service hereof, this Temporary Order To Cease and Desist shall become final and remain in effect as to each Respondent that fails to request a hearing unless it is modified or vacated by the Secretary of State in her capacity as Administrator of the Securities Act.

**WITNESS MY HAND AND THE OFFICIAL SEAL** of the North Carolina Department of the Secretary of State, this the 8<sup>th</sup> day of September 2009.

Time of entry: 9:47 A. M.



**ELAINE F. MARSHALL  
SECRETARY OF STATE  
OF NORTH CAROLINA and  
Securities Administrator**

By: \_\_\_\_\_  
David S. Massey   
Deputy Securities Administrator