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THE NORTH CAROLINA SECURITIES DIVISION, )

Petitioner, )

vs. )

CLAUDE D. MCDOUGAL )

and )

US FINANCIAL ALLIANCE CONSULTANTS, LLC )

Respondents. )

FINAL ORDER

FILE NO. 10SEC201

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**WHEREAS, US FINANCIAL ALLIANCE CONSULTANTS, LLC** (hereinafter “USFAC” or “Respondent”) is a limited liability company formed on May 13, 2005 in the State of North Carolina and maintains a business office at 6000 Fairview Road, Suite 1425, Charlotte, North Carolina 28210; and

**WHEREAS, CLAUDE D. MCDOUGAL** (hereinafter “McDougal” or “Respondent”) is a natural person residing in Charlotte, North Carolina; and

**WHEREAS,** the Secretary of State of the State of North Carolina (the “Secretary of State”), as Administrator of the North Carolina Securities Act (North Carolina General Statutes, Chapter 78A), the Securities Division of the Department of the Secretary of State (the “Securities Division”), and the Respondents have negotiated this Final Order; and

**WHEREAS,** the Respondents elect to permanently waive any right to judicial review or a hearing and appeal under Chapter 78A (the North Carolina Securities Act) or Chapter 150B of the North Carolina General Statutes (the Administrative Procedure Act) with respect to this Final Order.

**NOW, THEREFORE,** the Securities Administrator, acting through her duly appointed Deputy Securities Administrator, pursuant to and under all authority granted by the North Carolina Securities Act, with the consent of the Respondents and in settlement of the Petition, Order of Summary Suspension and Temporary Order to Cease & Desist, dated January 14, 2011, does hereby enter into this Final Order against the Respondents.

**I.**  
**JURISDICTION AND CONSENT**

Respondents admit the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order, consent to the entry of this Final Order by the Deputy Securities Administrator.

**II.**  
**FINDINGS OF FACT**

The Securities Administrator, acting by and through her duly appointed Deputy Securities Administrator, makes the following findings of fact regarding certain activities undertaken by the Respondents:

1. Respondent USFAC is a North Carolina member-managed limited liability company. USFAC is not registered with the Securities Administrator to sell securities under N.C.G.S. § 78A-36.
2. Respondent McDougal is the manager of USFAC.
3. McDougal was employed by Centaurus Financial, Inc., a securities dealer registered with the North Carolina Securities Division, from approximately November 2006 to August 26, 2009. During this time period, McDougal was registered (CRD # 1535874) to sell securities in North Carolina.
4. On or about August 26, 2009, Centaurus Financial, Inc. terminated McDougal stating that McDougal failed to respond to a firm request for information regarding a customer complaint. Since the date of his termination, McDougal has not been registered to sell securities in this state or any other state.
5. McDougal, on behalf of USFAC, offered and sold at least twenty-one (21) promissory notes in and/or from North Carolina between September 23, 2009 and September 8, 2010.
6. The offer and sale of the promissory notes, as described herein, constitutes the "offer" and "sale" of a "security," as those terms are defined pursuant to N.C.G.S. §§ 78A-2(8) and 78A-2(11).
7. The promissory notes were not registered with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act prior to being offered and sold in North Carolina.
8. From on or about August 26, 2009 to the present, neither McDougal nor USFAC have been licensed to sell securities in North Carolina pursuant to N.C.G.S. §78A-36(a).
9. The Respondents have violated or failed to comply with the provisions of Chapters 78A.
10. The Securities Administrator finds that the entry of this Final Order is necessary or appropriate in the public interest or for the protection of investors and clients and consistent with

the purposes fairly intended by the policy and provisions of the North Carolina Securities Act and the North Carolina Investment Advisers Act.

### III. CONCLUSIONS OF LAW

1. The Administrator has jurisdiction over the subject matter of this proceeding and over Respondents.
2. There is reasonable cause to believe each Respondent has engaged in violations of the North Carolina Securities Act.
3. The Securities Administrator finds that the entry of this Final Order is necessary or appropriate in the public interest or for the protection of investors and clients and consistent with the purposes fairly intended by the policy and provisions of the North Carolina Securities Act.

### IV. ORDER

**NOW, THEREFORE**, with the consent and agreement of the Respondents without admitting or denying any of the facts and allegations contained herein, it is **HEREBY ORDERED AND AGREED** that:

- a. Respondents Claude D. McDougal and US Financial Alliance Consultants, LLC shall immediately cease and desist from offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, promissory notes or other securities, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the Securities Act; and;
- b. Respondents Claude D. McDougal and US Financial Alliance Consultants, LLC shall immediately cease and desist from offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, promissory notes or other securities, howsoever denominated, unless and until Respondents become registered pursuant to the provisions of the Securities Act as dealers or salesmen; and
- c. Respondents, Claude D. McDougal and US Financial Alliance Consultants, LLC shall cease and desist from violating any statute, rule or regulation promulgated under the North Carolina Securities Act or Investment Advisers Act.

Respondents, by execution of this Final Order, waive any right to a hearing or judicial review thereof. Said Respondents affirmatively state that they have freely agreed to the signing of this Final Order, and that no threats, promises or offers of any kind, other than as stated in this document, have been made by the Securities Administrator, Deputy Securities Administrator, any member of the staff of the Securities Division, or any agent or employee of the Department of the Secretary of State in connection with the signing of this Final Order.

Respondents specifically acknowledge that no promises or representations have been made by the Securities Administrator, Deputy Securities Administrator, any member of the staff

of the Securities Division, or any agent or employee of the Department of the Secretary of State with respect to the Respondents' ability to comply with the provisions of the North Carolina Securities Act and the North Carolina Investment Advisers Act.

This Final Order shall become final upon entry.

**WITNESS MY HAND AND THE OFFICIAL SEAL** of the North Carolina Department of the Secretary of State, this the 20th day of June 2011.

Time of entry: 9:47 A .M.



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

**DAVID S. MASSEY**  
**DEPUTY SECURITIES ADMINISTRATOR**

**CONSENT TO ENTRY OF FINAL ORDER  
BY CLAUDE D. MCDUGAL**

1. **CLAUDE D. MCDUGAL** hereby acknowledges that he has been served with a copy of this Final Order, has read the foregoing Final Order, is aware of his right to a hearing and appeal in this matter, and has waived this right.
2. **CLAUDE D. MCDUGAL** admits the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order, consents to entry of this Final Order by the Secretary of State.
3. **CLAUDE D. MCDUGAL** states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Final Order and that he has entered into this Final Order voluntarily.
4. **CLAUDE D. MCDUGAL** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Dated this 12<sup>th</sup> day of June, 2011.

X By: *Claude D. McDugal*  
**CLAUDE D. MCDUGAL**

SUBSCRIBED AND SWORN TO before me this 12<sup>th</sup> day of June, 2011.

*Cherilyn M. Jones*  
Notary Public

My Commission expires: May 10, 2015



**CONSENT TO ENTRY OF FINAL ORDER BY  
US FINANCIAL ALLIANCE CONSULTANTS, LLC**

1. **US FINANCIAL ALLIANCE CONSULTANTS, LLC** hereby acknowledges that it has been served with a copy of this Final Order, has read the foregoing Final Order, is aware of its right to a hearing and appeal in this matter, and has waived this right.
2. **US FINANCIAL ALLIANCE CONSULTANTS, LLC** admits the jurisdiction of the Securities Division, and without admitting or denying the Findings of Fact and Conclusions of Law contained in this Final Order; and consents to entry of this Final Order by the Secretary of State.
3. **US FINANCIAL ALLIANCE CONSULTANTS, LLC** states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Final Order and that it has entered into this Final Order voluntarily.
4. **US FINANCIAL ALLIANCE CONSULTANTS, LLC** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Claude D. McDougal represents that he/she is \_\_\_\_\_ of **US FINANCIAL ALLIANCE CONSULTANTS, LLC** and that, as such, has been authorized by **US FINANCIAL ALLIANCE CONSULTANTS, LLC** to enter into this Order for and on behalf of **US FINANCIAL ALLIANCE CONSULTANTS, LLC**.

Dated this 12th day of June, 2011.

By: Claude D. McDougal X

Title: \_\_\_\_\_

SUBSCRIBED AND SWORN TO before me  
this 12th day of June, 2011.

Cherilyn M. Jones  
Notary Public

My Commission expires: May 10, 2015

