

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:

**Dunes Securities Corporation,
CRD No. 127394,**

Respondent.

)
)
)
)
)
)
)

CONSENT ORDER

Matter No. 16050

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division") has been authorized and directed by the Securities Commissioner of South Carolina (the "Securities Commissioner") to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the "Act"); and

WHEREAS, Dunes Securities Corporation, CRD No. 127394, ("DSC" or the "Respondent") self-reported a clerical error relating to its securities-related activities to the Division, which, if true, would constitute a violation of the Act; and

WHEREAS, this information led the Division to open and conduct an investigation of the Respondent pursuant to S.C. Code Ann. § 35-1-602; and

WHEREAS, the Respondent acknowledges its desire to resolve this matter by Consent Order rather than by formal hearing before the Securities Commissioner; and

WHEREAS, without admitting to or denying the findings of fact and conclusions of law set forth in this Consent Order, except as to the Securities Commissioner's jurisdiction over it and the subject matter of this proceeding, which are admitted, the Respondent consents to the entry of this Consent Order.

I. RESPONDENT

1. DSC has been registered with the Division as a broker-dealer since 2004 and is located at 12 New Orleans Road, Hilton Head Island, South Carolina 29928.

II. FINDINGS OF FACT

2. DSC's sole securities-related activity is its engagement in the business of brokering the sale of certain hotel condominium investments at a resort on Hilton Head Island, South Carolina.

3. In 2004, DSC attempted to register one of its employees ("Agent I") as a broker-dealer agent with the Division.

4. However, Agent I's registration was never completed.

5. Between 2004 and 2016, Agent I represented DSC in the effecting of transactions in securities, conduct which requires registration with the Division, or an exemption from registration.

6. During that time, DSC failed to detect that Agent I was not registered with the Division.

7. In July 2016, DSC's attorneys contacted the Division regarding Agent I's lack of registration.

8. DSC cooperated fully with the Division's resulting investigation and has sought registration for Agent I.

III. CONCLUSIONS OF LAW

9. Pursuant to S.C. Code Ann. § 35-1-102(1) an agent is an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities.

10. Pursuant to S.C. Code Ann. § 35-1-402(a) it is unlawful for an individual to transact business in the State of South Carolina as an agent unless that individual is registered with the Division or exempt from registration.

11. Pursuant to S.C. Code Ann. § 35-1-402(d) it is unlawful for a broker-dealer to employ or associate with an agent who transacts business in the State of South Carolina and is not registered with the Division or exempt from registration.

12. Between 2004 and June of 2016, Agent I acted as an agent without having been registered with the Division or exempt from registration in violation of the Act.

13. Between 2004 and June of 2016, the Respondent employed an unregistered agent in violation of the Act.

IV. ORDER

WHEREAS, the Securities Commissioner finds this Consent Order both appropriate and in the public interest, for the protection of the investors and the capital markets of the State of South Carolina;

NOW, THEREFORE, it is hereby **ORDERED**, and the Respondent expressly consents and agrees that:

- a. DSC will fully comply with the Act, including all registration provisions;
- b. DSC is hereby **CENSURED**;
- c. DSC will reimburse the Division for its costs incurred in the investigation of this matter in the amount of two thousand dollars (\$2,000): and
- d. DSC will pay a fine in the amount of ten thousand dollars (\$10,000) contemporaneously with the execution of this Order.

Upon execution by the Securities Commissioner, this Consent Order resolves Administrative Proceeding 16050.

This Order should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to investors as a result of the Respondent's participation in the activities described above, or (iii) other causes of action that may result from activities of the Respondent not detailed herein or which may hereafter arise.

IT IS SO ORDERED this 29 day of June, 2017.

By: Alan Wilson
The Honorable Alan Wilson
Securities Commissioner
State of South Carolina

WE CONSENT:

Securities Division of the Office of the Attorney General:

By: epw
Ian P. Weschler
Assistant Attorney General

Date: 6/21/2017

Respondent Dunes Securities Corporation

By: Edward Dowaschinski
Edward Dowaschinski
President
Dunes Securities Corporation

Date: 6-20-17