

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES
COLUMBUS, OHIO 43215

Order No. 11-012

IN THE MATTER OF: MIDSOUTH CAPITAL, INC.
CRD NO. 35039

CEASE AND DESIST

DIVISION ORDER

WHEREAS, the Ohio Division of Securities (hereinafter "Division") is charged with the responsibility for protecting investors and finds that this Order is necessary or appropriate in the public interest or for the protection of investors, and is consistent with the purposes fairly intended by the Ohio Securities Act, R.C. Chapter 1707;

WHEREAS, on or about January 4, 2011, Midsouth Capital, Inc. (hereinafter "Applicant"), through the Central Registration Depository of the Financial Industry Regulatory Authority., (hereinafter "FINRA") made application to the Division for licensing as a dealer of securities;

WHEREAS, the Division has conducted a review of the application of Applicant whose address is 1050 Crown Pointe Parkway, Suite 200, Atlanta, GA 30338, CRD No. 35039, for a license as a dealer of securities issued by the Division, and as a result of that review, the Division finds as follows:

- (1) On or about December 10, 1993, a South Carolina corporation was formed under the name of Applicant. Applicant has maintained a business address at 1050 Crown Pointe Parkway, Suite 200, Atlanta, GA 30338; and
- (2) Applicant was licensed in Ohio from March 25, 1996 through December 31, 2010, but failed to renew their license by the deadline for renewals as a securities dealer in Ohio under the authority of the Ohio Securities Act, Chapter 1707 of the Revised Code; and
- (3) Applicant contends that its failure to renew its license by the renewal deadline described in Paragraph 2 was inadvertent; and
- (4) On or about January 4, 2011, Applicant submitted information to the Division through the Central Registration Depository of the NASD to initiate an application for licensing as an Ohio securities dealer in accordance with R.C.1707.15 and O.A.C. 1301:6-3-15; and
- (5) On or about January 24, 2011, the Division received notification from Applicant that it had operated in Ohio as a securities dealer between the

dates of approximately January 4, 2011 through January 24, 2011, and that approximately five (5) securities transactions had been effected during that Period; and

- (6) Applicant is a "dealer" as that term is defined in R.C. 1707.01(E)(1); and
- (7) R.C. 1707.14 provides, in pertinent part at paragraph (1) of division (A) of that section: "No person shall act as a dealer, unless the person is licensed as a dealer by the division of securities;" and
- (8) R.C. 1707.44(A)(1) provides that "no person shall engage in any act or practice that violates division (A), (B), or (C) of section 1707.14 of the Revised Code, and no salesperson shall sell securities in this state without being licensed pursuant to section 1707.16 of the Revised Code;" and
- (9) At the time Applicant made the sales described in Paragraph (4), Applicant was not licensed by the Division as a "Dealer," and therefore, violated R.C. 1707.44(A)(1).

WHEREAS, pursuant to R.C. Chapter 119, on February 9, 2011, the Division issued and subsequently served Applicant, Division Order No. 11-009, Notice of Opportunity for Hearing, which sets forth the information contained in Paragraphs 1 through 9 above;

WHEREAS, pursuant to R.C. Chapter 119, the Notice of Opportunity for Hearing, Division Order No. 11-009, was mailed by Certified Mail, Certified Mail No. 7006 2760 0000 2749 4488, to Applicant at its last known address;

WHEREAS, in response to discussions between the Division and Applicant, the Division and Applicant have entered into a Consent Agreement, which is attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, in response to discussions between the Division and Applicant, Applicant has undertaken to offer rescission in accordance with R.C. Chapter 1707 to purchasers in the sales described in Paragraph 4 above, and to purchasers in all sales made in violation of the Ohio Securities Act from January 4, 2011, and through and including the date of the issuance of the license, under the terms of an Undertaking, which is attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, based upon Paragraphs (1) through (9), the Division finds that Applicant has violated the provisions of R.C. 1707.44(A);

THEREFORE IT IS ORDERED THAT, pursuant to R.C. 1707.23, Midsouth Capital, Inc. **CEASE AND DESIST** from the acts and practices as described above which constitute a violation of R.C. Chapter 1707.

TIME AND METHOD TO FILE AN APPEAL: ANY PARTY DESIRING TO APPEAL SHALL FILE A NOTICE OF APPEAL WITH THE DIVISION OF SECURITIES, 77 SOUTH HIGH STREET, 22ND FLOOR, COLUMBUS, OHIO 43215, SETTING FORTH THE ORDER APPEALED FROM AND STATING THAT THE AGENCY'S ORDER IS NOT SUPPORTED

BY RELIABLE, PROBATIVE, AND SUBSTANTIAL EVIDENCE AND IS NOT IN ACCORDANCE WITH LAW. THE NOTICE OF APPEAL MAY, BUT NEED NOT, SET FORTH THE SPECIFIC GROUNDS OF THE PARTY'S APPEAL BEYOND THE STATEMENT THAT THE AGENCY'S ORDER IS NOT SUPPORTED BY RELIABLE, PROBATIVE, AND SUBSTANTIAL EVIDENCE AND IS NOT IN ACCORDANCE WITH LAW. THE NOTICE OF APPEAL SHALL ALSO BE FILED BY THE APPELLANT WITH THE COURT OF COMMON PLEAS OF THE COUNTY IN WHICH THE PLACE OF BUSINESS OF THE LICENSEE IS LOCATED OR THE COUNTY IN WHICH THE LICENSEE IS A RESIDENT. IF ANY PARTY APPEALING FROM THE ORDER IS NOT A RESIDENT OF AND HAS NO PLACE OF BUSINESS IN THIS STATE, THE PARTY MAY APPEAL TO THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY. SUCH NOTICES OF APPEAL SHALL BE FILED WITHIN FIFTEEN (15) DAYS AFTER THE MAILING OF THE NOTICE OF THE OHIO DIVISION OF SECURITIES' ORDER AS PROVIDED IN SECTION 119.12 OF THE OHIO REVISED CODE.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THIS DIVISION at
Columbus, Ohio this 16th day of March 2011.



Andrea L. Seidt, Commissioner of Securities



MIDSOUTH CAPITAL
INCORPORATED

RECEIVED

Member NASD/SIPC

MAR 10 2011

OHIO DIVISION OF
SECURITIES

February 28, 2011

Andrea L. Seidt
Commissioner of Securities
77 South High Street, 22nd Floor
Columbus, Ohio 43215

Re: Undertaking in Connection with Application for Ohio Securities Dealer License

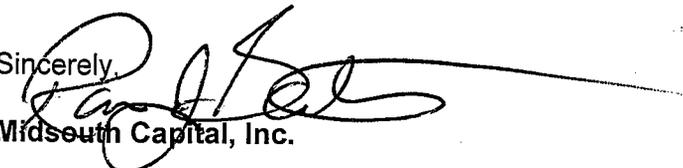
Dear Ms. Seidt:

In connection with the application of MidSouth Capital, Inc. ("Applicant"), pursuant to Revised Code (R.C.) section 1707.15 for a license as a dealer of securities:

1. Applicant hereby undertakes to promptly commence and complete a rescission offering under section R.C. 1707.43 to all persons with whom Applicant effected sales of securities that were not in compliance with the Ohio Securities Act;
2. Applicant hereby undertakes to promptly complete rescission transactions for sales of securities that were not in compliance with the Ohio Securities Act for the benefit of those persons who timely notify Applicant of their intention to accept the Applicant's offer of rescission; and
3. Applicant represents and warrants that attached hereto as Exhibit A is a true and complete list of all persons with whom Applicant effected sales of securities that were not in compliance with the Ohio Securities Act.

The undertakings, representations and warranties made herein shall survive the issuance of an Ohio Securities Dealer license to Applicant. The undertakings, representations and warranties made herein, are made in an application for a license and for purposes of procuring a license under the Ohio Securities Act. Breach of, violation of, failure to comply with or failure to complete any of the undertakings, representations or warranties made herein, shall constitute the knowing and intentional making of a false statement of a material and relevant fact for purposes of R.C. sections 1707.19 and 1707.44, and shall subject Applicant to all available remedies, including but not limited to, an immediate suspension of any license granted by the Division.

Sincerely,


MidSouth Capital, Inc.

By: Ronald Bateh

Title: President