

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE AT NASHVILLE**

TENNESSEE SECURITIES DIVISION,)	
Petitioner)	
)	
vs.)	Order No. 006-007
)	
DONALD BEVERLY)	
Respondent.)	

CONSENT ORDER

The Tennessee Securities Division (“Division”), Petitioner, and Donald Beverly, Respondent herein, agree to the entry of this Consent Order in accordance with Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. (“Act”), which states that the Commissioner of Commerce and Insurance (“Commissioner”) from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and

consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner or any other state government representative against the Respondent for violations of law under other statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Consent Order by the Respondent.

5. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. ("Act"), places the responsibility for the administration of the Act on the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115.

2. Respondent, Donald Beverly (“Beverly”) (CRD#2079517), is a current citizen and resident of the State of Kentucky. Beverly maintains his address at 431 Talon Drive, Hopkinsville, Kentucky 44240. At all times pertinent to this action Beverly was not registered in Tennessee with the Division pursuant to the Act.

3. J.P. Michael Company (“JPM”) was a Tennessee business entity with its principal place of business being 1437 Arrowhead Place, Murfreesboro, TN 37129. JPM has never been registered with the Division pursuant to the Act.

4. During 2001 Beverly was working for Michael Casper (“Casper”) and Olde South Trust (“OST”) as a salesman. OST sold estate planning tools such as revocable living trusts and investments such as promissory notes, viatical settlement contracts, and stock. OST was not registered as a broker-dealer pursuant to the Act.

5. While working for OST Beverly sold preferred stock in PhyMed Partners (“PP”) and was paid a commission by OST for each of these sales.

6. When Joyce Dutton (“Dutton”), the bookkeeper of OST, left the company in September of 2001 she was contacted by Lamar McMichael (“McMichael”) the owner of PP and was recruited by him to sell PP preferred stock, independent of OST, for a commission.

7. Beverly left OST at this same time and began selling PP preferred stock through Dutton’s company, J.P. Michael Company (“JPM”). Beverly was paid a commission by JPM for each of these sales and Dutton received an up-line commission on each of Beverly’s sales.

8. Beverly sold PP preferred stock to three (3) Kentucky residents during the

first six months of 2002 and received commissions from JPM for all such sales.

9. Based on information obtained from Beverly's physicians, with his approval, the Division determined that Beverly has medical conditions which result in significant memory lapses.

10. Beverly is retired and currently subsists on veteran disability payments.

CONCLUSIONS OF LAW

11. Pursuant to Tenn. Code Ann. §48-2-115(a), the responsibility for administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

12. Tenn. Code Ann. § 48-2-109 provides that: It is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

13. The averments in paragraphs two through ten of this Consent Order, constitute practices by Beverly which would provide grounds under Tenn. Code Ann. §48-2-109 for the entry of an order of sanctions against Beverly.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondent's waiver of their right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 et seq., and Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that Respondents, for the purpose of settling this matter, admit the "Findings of Fact" as contained herein, have agreed to the entry of this Consent Order and that the following

Consent Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tennessee Code Annotated § 48-2-116(a) of the Tennessee Securities Act that:

1. Respondent, Donald Beverly, **shall** fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder;

2. Respondent, Donald Beverly, **shall** permanently cease and desist in any further conduct as an issuer, broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative from or in the state of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

3. Respondent, Donald Beverly, **shall** cease and desist in conducting securities transactions on behalf of others from, in, or into the State of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

4. Respondent, Donald Beverly, **shall** both be permanently barred from applying for or seeking registration with the Division as an issuer, broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

5. Respondent, Donald Beverly, **shall** be permanently barred from applying for or seeking licensure with the Insurance Division of the Department of Commerce and

Insurance, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance;

6. Respondent, Donald Beverly **IS ASSESSED AND AGREES** to pay cost recovery related to the costs of the investigation in the amount of two hundred dollars (\$200). Said sum shall be due and paid in full upon execution of this document, but in no event later than October 1, 2006. Payment in the form of a cashier's check or money order made payable to the State of Tennessee, shall be mailed or delivered to:

State of Tennessee
Department of Commerce and Insurance
Securities Division
Attention: Barbara A. Doak, Attorney
500 James Robertson Parkway, 12th Floor
Nashville, Tennessee 37243

7. Respondent, Donald Beverly, hereby agrees that any failure to comply with all the requirements and prohibitions contained in this Order shall result in further enforcement action by the Division, the Department of Commerce and Insurance, and/or the State of Tennessee in order to enforce the provisions contained herein.

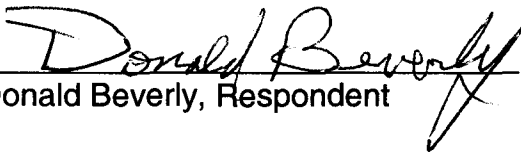
IT IS ORDERED that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Donald Beverly for violations of the Act alleged by the Tennessee Securities Division to have occurred with respect to the transactions involving the above referenced sales of securities and the facts contained herein.

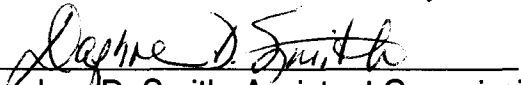
This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signature affixed below, Donald Beverly affirmatively states that he has freely agreed to the entry of this Consent Order, that he waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 18th day of September, 2006.

Paula A. Flowers
Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:


Donald Beverly, Respondent


Daphne D. Smith, Assistant Commissioner for Securities
Department of Commerce and Insurance


Barbara A. Doak (#015802), Attorney for Securities
Department of Commerce and Insurance
500 James Robertson Parkway, Twelfth Floor
Nashville, Tennessee 37243
(615) 741-2199/Fax (615) 741-4000