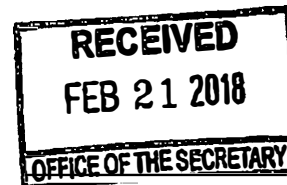


HARD COPY

**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING
File No. 3-16182**



In the Matter of

PAUL EDWARD "ED" LLOYD, JR., CPA

Respondent.

**RESPONDENT'S PETITION FOR REVIEW
OF INITIAL DECISION**

Pursuant to Securities Exchange Commission Rule of Practice 410, Respondent Paul Edward "Ed" Lloyd, Jr., CPA petitions the Commission for review of the Reaffirmed Initial Decision ("Reaffirmed ID") rendered by Administrative Law Judge Cameron Elliot on January 26, 2018, ratifying and modifying in part his previous Initial Decision ("ID") of July 27, 2015.

The Initial Decision of July 27, 2015, was the subject of a Petition for Review filed by Respondent (and a Cross-Petition for Review filed by the Division of Enforcement) in 2015, which petitions for review were granted by an Order of the Commission dated September 28, 2015. The issues raised by the Initial Decision were previously briefed by the Division of Enforcement and by the Respondent, and oral argument was scheduled and rescheduled several times. On November 30, 2017, the Commission issued an Order in this and a number of other administrative proceedings ratifying the appointment of administrative law judges, and ordering reconsideration of all actions previously taken.

After the matter was remanded to Administrative Law Judge Cameron Elliot for reconsideration, he issued an Order dated December 12, 2017, granting respondent's motion of May 1, 2015 that official notice be taken of certain matters, and providing for issuance of a protective order. The order of December 12, 2017, rendered moot the portion

of Respondent's previous appeal to the Commission regarding ALJ Elliot's failure to take judicial notice of statistics, however, all other issues raised by the Petition for Review remain for consideration.

In accordance with Rule 411(b)(2), Respondent submits the following issues for review.

I. ISSUES FOR REVIEW

- A.e Review of the ID is Required to Correct the Following Erroneous Findings of Fact.e**
 - 1.e The finding that the membership units in the Maple Equestrian, Piney Cumberland Holdings, and Meadow Creek Holdings LLC's were issued pursuant to regulation D.e**
 - 2.e The finding that Respondent's failure to inform LPL of the conservation easement transactions was inconsistent with LPL's compliance policies relating to selling away, outside business activities, and providing tax advice.e**
 - 3.e The finding that Respondent did not provide OCIE with the revised Schedule I listing 15 members of FC 2012, LLC.e**
 - 4.e The finding that Ray Branch and Respondent's attorneys discussed Respondent's fees.e**
 - 5.e The finding that Respondent had the opportunity to influence Marke Losby's memory of his FC 2012 participation.e**
 - 6.e The finding that Respondent had the opportunity to influence Larry Price's memory of his FC 2012 participation.e**
 - 7.e The finding that Respondent may have "stolen \$130,000.00 from his clients outright" had he not been examined by LPL and OCIE.e**
 - 8.e The finding that Respondent possessed independent contractor-like autonomy while associated with LPL making him more like a controlling person of an investment adviser rather than an employee of same.e**
 - 9.e The finding that Respondent should not be able to avoid primary liability by selling away.e**

- 10.s The finding that Respondent's failure to inform SFA and PCH of the identities of the ultimate consumers undermined those entities's compliance efforts and created the potential for a conflict of interest.s
- 11.s The finding that but for his deceit of SFA, none of Respondent's clients could have participated in FC 2012, and he would not have been entitled to any of his fees.s
- 12.s The finding that Respondent created a risk that SFA and PCH would violate the securities laws.s
- B.s Review of the ID is Required to Correct the Following Erroneous Conclusions of Law.s
 - 1.s The finding that Respondent was an investment adviser and subject to the IAA.s
 - 2.s The finding that Respondent did not qualify for the accountant's exception to the definition of investment adviser under the IAA.s
 - 3.s The finding that Respondent committed a primary violation of Sections 206(4) of the IAA.s
- C.s Review of the ID is Required to Correct Due Process Violations Occurring in This Matter.s
- D.s Review of the ID is Required Because the ALJ is not a Proper "Officer."s
- E.s Review of the ID is Required to Correct Errors in the Imposition of Sanctions.s
 - 1.s A cease-and-desist order was moot and inappropriate.s
 - 2.s The associational bar was inappropriate.s
 - 3.s The calculation of disgorgement was erroneous.s
 - 4.s The civil penalty assessed was excessive and unsupported by the evidence.s

All of the preceding issues have been briefed extensively, and Respondent submits that new briefing is required only with respect to the issue of whether the ALJ is a proper "officer," in light of the Commission's Order Ratifying ALJ Assignments, and subsequent consideration of the matter by ALJ Elliot, and issuance of the Order Ratifying in Part and Revising in Part Prior Actions.

II. CONCLUSION

For the reasons stated above, Respondent respectfully requests that his Petition for Review of Initial Decision be GRANTED, and that the Commission receive additional briefing as it may order.

This the 14 day of February, 2018.



Frederick K. Sharpless
Attorney for Respondent

OF COUNSEL:
SHARPLESS & STAVOLA, P.A.
Post Office Box 22106
Greensboro, North Carolina 27420
Telephone: (336) 333-6384
[fks@sharpless-stavola.com](mailto: fks@sharpless-stavola.com)

B

CERTIFICATE OF SERVICE

I certify that the RESPONDENT'S PETITION FOR REVIEW OF INITIAL DECISION was served and/or filed as follows:

Honorable Cameron Elliot
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549
Via email and US Mail

Mr. Brent J. Fields (*via fax (202) 772-9324 and Original & 3 copies via US Mail*)
Secretary of Commission
Securities and Exchange Commission
100 F Street N.E.
Mail Stop 1090
Washington, DC 20549

Mr. Robert F. Schroeder
Mr. Brian Basinger
Securities and Exchange Commission
Atlanta Regional Office
950 East Paces Ferry Road N.E., Suite 900
Atlanta, GA 30326-1382
Via email and US Mail

Mr. William Woodward Webb, Jr.
The Edmisten Webb & Hawes Law Firm
PO Box 1509
Raleigh, NC 27602
Via email and US Mail

This the 14 day of February, 2018.



Frederick K. Sharpless
Attorney for Respondent

OF COUNSEL:

SHARPLESS & STAVOLA, P.A.
Post Office Box 22106
Greensboro, North Carolina 27420
Telephone: (336) 333-6384
fks@sharpless-stavola.com