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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-14-0009

IN THE MATTER OF:

ORDER NO. S-14-0009-14-OR01

**REGISTRATION OF LARRY CARTER
AND JOE HAYS WITH
OLD MAIN ADVISORS, INC.**

**ORDER GRANTING LIMITED INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS**

This Order is entered pursuant to the Arkansas Securities Act ("Act"), Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules"), and the Arkansas Administrative Procedures Act, Ark. Code Ann. §§ 25-15-101 through 25-15-219.

FINDINGS OF FACT

1. On February 3, 2014, Larry Carter ("Carter"), CRD # 1681326, and Joe Hays ("Hays"), CRD # 6295635, applied for registration as representatives of Old Main Advisors, Inc. ("Old Main"), CRD # 170411, an Arkansas registered investment adviser.
2. Information provided to the Arkansas Securities Commissioner ("Commissioner") and Staff of the Arkansas Securities Department ("Staff") details the advisory activities of Old Main and its representatives as follows:

Old Main and its representatives will provide investment advice to the general partners of related private equity funds, Diamond State Ventures II Limited Partnership and Diamond State Ventures III Limited Partnership (collectively, the "Funds"). The Funds are Small Business Investment Companies

("SBIC"), licensed and regulated by the United States Small Business Administration ("SBA").

Pursuant to law and SBA regulations, SBICs may only invest in small United States businesses that meet size and operational criteria set by the federal government. The qualifications and business plans of SBICs are approved in advance through a rigorous licensing process conducted by the SBA's Investment Division. The private capital required to establish an SBIC must come from qualified private investors; limited to entities and individuals that are considered institutional investors as defined by the Small Business Investment Act. See 13 CFR § 107.50. The SBA requires periodic filings during the year and conducts annual exams to ensure regulatory compliance by its licensed SBICs.

Carter and Hays, Arkansas residents, have been the principal managers of the only licensed Arkansas SBICs and their investments for over thirteen years. Carter and Hays have represented that the investment adviser activity of Old Main and their activities as investment adviser representatives will be limited to investment advice provided to the general partners of the Arkansas SBIC private equity funds. Carter and Hays have requested that the examination requirements for their registration as investment adviser representatives be waived due to their years of experience in the analysis and management of investments of Arkansas SBICs and the limited investment adviser activities of their investment adviser, Old Main.

CONCLUSIONS OF LAW

3. Ark. Code Ann. § 23-42-302(a)(2) provides that the Commissioner may, by order, approve a limited registration with such limitations, qualifications, or conditions as the Commissioner deems appropriate. The above described planned investment advisory activities of Carter, Hays, and Old Main are limited so as to make a limited registration appropriate.

4. Rule 302.02(f)(4) provides that the Commissioner may waive examination requirements for a representative in those cases where circumstances unique to the applicant warrant a waiver. The limited investment adviser activities in which Carter and Hays will engage, along with the extensive experience each has with this business sector, warrant a waiver of the examination requirements for an investment adviser representative for Carter and Hays.

ORDER

1. The applications of Larry Carter and Joe Hays for registration as investment adviser representatives of Old Main Advisors, Inc., are approved, with the limitation and condition that Carter and Hays may only conduct investment adviser activity for Old Main Advisors, Inc., involving the Arkansas SBA licensed SBIC private equity funds, Diamond State Ventures II Limited Partnership and Diamond State Ventures III Limited Partnership.

2. Diamond State Ventures II Limited Partnership and Diamond State Ventures III Limited Partnership will only sell their limited partnership interests to entities and certain individuals that are considered institutional investors as defined by the Small Business Investment Act. See 13 CFR § 107.50. Investments by individual investors are further

limited to individuals that fall within the provisions found in subsection (2)(i)(B) or (C) of the definition of “institutional investor” within the Small Business Investment Act, 13 CFR § 107.50.

3. Carter, Hays, and Old Main will only provide investment advice to the Arkansas SBA licensed SBIC private equity fund clients. They will not have any individuals as clients.

4. Based on the limited investment adviser activity permitted by this Order and the experience exhibited by the applicants, the investment adviser representative examination requirements are waived for Larry Carter and Joe Hays.

IT IS SO ORDERED.



A. HEATH ABSHURE
Arkansas Securities Commissioner

2/18/2014
DATE