

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: COASTAL DISCOUNT)
STOCKBROKERS, INC.)
_____)

FILE NO. 0300043

CONSENT ORDER OF CENSURE

TO THE RESPONDENT: Coastal Discount Stockbrokers, Inc.
5710 Oleander Drive
Suite 211
Wilmington, North Carolina 28403

WHEREAS, Respondent on the 24th day of June 2003, executed a certain Stipulation to Enter Consent Order of Censure ("Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated June 9, 2003, in this proceeding (the "Notice") and Respondent has contested to the entry of this Consent Order of Censure ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That on January 27, 2003, the Respondent filed a Form U-4 for registration as a dealer in the State of Illinois.
2. That on May 23, 2003, a Summary Order of Denial (the "Order") was issued by the Secretary of State denying this application. Pursuant to the terms of the Order, the Respondent requested a hearing on May 27, 2003.
3. That the Respondent is a corporation which engages in the business of acting as a dealer in the offer and sale of securities to the general public.
4. That between May 7, 1999 and April 30, 2002 the Respondent effected 17 purchase transactions in an Illinois customer's account.

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5. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided every dealer shall be registered as such with the Secretary of State.
6. That the activity described in paragraph two (2) above constitutes the activity of a dealer as defined in Section 2.7 of the Act.
7. That during all relevant times, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
8. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
9. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to act as a dealer, unless registered as such where such registration is required under the provisions of the Act.
10. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
11. That Section 8.E(1)(g) of the Act provides that the registration of a dealer may be denied if it has violated any of the provisions of this Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a dealer in the State of Illinois is subject to denial pursuant to Section 8.E(1)(g) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that:

1. It shall be censured; and
2. It shall pay the sum of Two Thousand dollars (\$2,000.00) to the Office of the Secretary of State, Investors Education fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Office of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.

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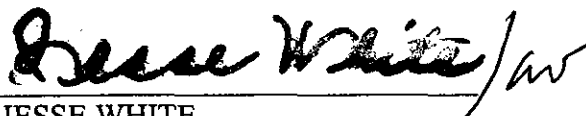
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WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED:

1. Coastal Discount Stockbrokers, Inc. shall be censured.
2. Coastal Discount Stockbrokers, Inc. shall pay the sum of Two Thousand dollars (\$2,000.00) to the Office of the Secretary of State, Investors Education fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Office of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.
3. The Summary Order of Denial entered May 23, 2003 is hereby vacated.
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 25th day of June, 2003.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the Act). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.