

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**September 5, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12747**

**In the Matter of**

**MARIA T. GIESIGE,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS  
PURSUANT TO SECTION 8A OF THE  
SECURITIES ACT OF 1933, SECTIONS 15(b)  
AND 21C OF THE SECURITIES EXCHANGE  
ACT OF 1934, AND SECTIONS 203(f) AND  
203(k) OF THE INVESTMENT ADVISERS  
ACT OF 1940 AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), against Maria T. Giesige (“Respondent” or “Giesige”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

Marie T. Giesige is 44 years old and a resident of Ottawa, Ohio. She is an investment adviser registered with the State of Ohio under the name of Provision Financial and Estate Planning. From 2004 until January 2007, Respondent was associated with Investors Capital Corp. (“Investors Capital”), a registered broker-dealer, as a registered representative.

**B. OTHER RELEVANT ENTITY**

Carolina Development Co. (“Carolina”) is a Nevada corporation headquartered in Irvine, California. Carolina raised at least \$50 million from over 1400 investors by selling unregistered common stock. The offering was not registered with the Commission and did not qualify for any

exemption from registration. During the relevant period, Carolina common stock was quoted in the Pink Sheets at approximately 10 cents a share.

## **C. FACTS**

### **1. The Unregistered Sale of Securities**

a. Carolina offered and sold over \$50 million of its common stock to over 1400 investors claiming in a private placement memorandum that the offering was exempt from registration pursuant to Section 4(2) of the Securities Act and Rule 506 of Regulation D. Approximately half of the investors who purchased Carolina stock in the offering did not qualify as “accredited investors” as that term is defined in Regulation D. The offering was not registered and did not qualify for any exemption from registration. Potential investors were not provided with the kind of information that registration would provide, such as audited financial statements.

b. From October 2005 through January 2006, Respondent sold approximately \$1.5 million of Carolina shares to approximately 50 investors.

c. Respondent’s customers were almost exclusively small investors. Of the 50 investors who purchased shares through Respondent, only five could be considered “accredited investors.” A number of the investors to whom Respondent sold Carolina stock were clients of her state-registered investment adviser.

### **2. Misrepresentations made in the Offer and Sale of Carolina Stock**

a. During the relevant period, Respondent sold Carolina stock to investors at \$3.00 a share; these shares carried restrictions on their resale. Respondent knew that unrestricted shares in Carolina were being quoted in the Pink Sheets at the same time at significantly lower prices but failed to inform investors.

b. In making offers and sales of Carolina stock, Respondent made material misrepresentations and omitted to state material facts. Respondent told investors and advisory clients that: (1) investors could sell the restricted stock they had received in the offering within weeks or months of their purchases while Respondent knew or was reckless in not knowing that the shares were restricted and could not be resold within that time period; (2) Carolina would be conducting an initial public offering of its shares within a short time period at a price of \$9.00 per share and that the price would rise to \$18.00 a share in aftermarket trading despite Respondent’s knowledge that no registration statement had been filed with respect to such an offering of Carolina stock; and (3) an audit had been performed on Carolina’s financial statements despite Respondent’s knowledge that no audit had been completed.

c. The timing of a public offering was important to Respondent’s investors because it would enable them to sell their shares at a substantial profit within a short period of time.

### **3. Violations of the Broker Registration Provisions**

a. Respondent sold shares of Carolina as a regular course of business. Respondent solicited investors to purchase Carolina shares and received commissions on the sale of Carolina shares.

b. While Respondent was associated with a broker-dealer at the time she was selling Carolina shares, she did not inform anyone at Investors Capital that she was selling Carolina shares and she knew that under Investors' Capital procedures all sales of securities had to be authorized by the firm.

#### **D. VIOLATIONS**

1. As a result of the conduct described above, Respondent willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities.

2. As a result of the conduct described above, Respondent willfully violated Sections 5(a) and 5(c) of the Securities Act which prohibits the unregistered sale of securities.

3. As a result of the conduct described above, Respondent willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit fraudulent conduct by an investment adviser,

4. As a result of the conduct described above, Respondent willfully violated Section 15(a) of the Exchange Act which prohibits acting as an unregistered broker or dealer.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and prejudgment interest, and civil penalties pursuant to Section 21B of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act including, but not limited to, disgorgement and prejudgment interest, and civil penalties pursuant to Section 203(i) of the Advisers Act;

D. Whether, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, and Section 203(k) of the Advisers Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act and whether Respondent should be ordered to pay disgorgement and prejudgment interest pursuant to Section 8A(e) of the Securities Act, Section 21C(e) of the Exchange Act and Section 203(j) of the Advisers Act.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris  
Secretary