

**OFFICE OF THE SECRETARY OF STATE
STATE OF MISSISSIPPI
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

In The Matter Of:)	
)	
)	
Posgro, Inc.;)	
Posgro of Heidelberg;)	Administrative Hearing
Posgro of Baton Rouge;)	Number: <u>S-05-0258</u>
Posgro Capital Management Group, Inc.;)	
Harry G. Walters;)	
James Neely;)	
Jerry McCreary;)	
John Hensley; and)	
Terry Henson)	
)	
)	
)	
RESPONDENTS.)	

CONSENT AGREEMENT

THIS AGREEMENT is hereby entered into between the State of Mississippi, Secretary of State's Office, Business Regulation and Enforcement Division (hereinafter "Division"), by and through James O. Nelson, II, Assistant Secretary of State, and Harry G. Walters (hereinafter "Walters"), Respondent herein.

The Division, having the power to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act (hereinafter "Act"), and Respondent do hereby enter into this Consent Agreement in resolution of the Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty (hereinafter "Order") and the Final Cease and Desist Order and Order Imposing Administrative Penalty (hereinafter "Final Order") issued February 14, 2006, and March 13, 2006, respectively, following

allegations by the Division of violations of certain provisions of the Act and/or Rules promulgated thereunder.

The Division's conclusions of law contained in the Final Order were as follows.

1. The Secretary of State has jurisdiction over this matter and the parties pursuant to Section 75-71-107(a) of the Act.
2. Respondent offered and sold securities as that term is defined in the Act.
3. Respondent violated Section 75-71-301 of the Act by transacting business as broker-dealer or agent in Mississippi without registering as such.
4. Respondent violated Section 75-71-401 of the Act by offering and/or selling unregistered securities within the state of Mississippi.

NOW, THEREFORE, it is hereby agreed as follows:

- A. At all times relevant hereto, it was and continues to be the intent of Walters to comply with the requirements of the Act, and, to that end, to cooperate with the Division.
- B. It is the intent of the Division and Walters to reach an expeditious and appropriate resolution of this matter as it pertains to Walters' involvement therein.
- C. Based upon the representations and information obtained by the Division's independent investigation, the Division has determined not to proceed to a hearing as to Respondent Walters.
- D. Walters admits to the jurisdiction of the Division as to all matters herein.

Walters neither admits, nor denies that his conduct was in violation of the Act.

- E. Walters consents to the payment of Twenty Five Thousand Dollars (\$25,000.00) to be paid upon the execution of this Consent Agreement by the Respondent. Twenty Thousand Dollars (\$20,000.00) of the penalty shall be suspended unless Respondent Walters violates any provisions of the Act and/or Rules promulgated thereunder at any time subsequent to the execution of this agreement. If Respondent violates any provisions of the Act and/or Rules subsequent to this agreement, then (1) Respondent shall immediately remit payment of the Twenty Thousand Dollar (\$20,000.00) penalty to the Division, payable to the "Mississippi Secretary of State," and (2) the Division shall impose an additional penalty taking into consideration that this would be an offense in addition to those detailed in the Final Order.
- F. Walters agrees, during the course of his natural life, neither (1) to offer and/or sell any securities in the State of Mississippi, nor (2) to offer and/or sell any securities to any Mississippi residents.
- G. Walters further agrees, during the course of his natural life, neither (1) to attempt to register as a broker dealer agent or investment advisor representative with the NASD, nor (2) to attempt to register as a broker dealer agent or investment advisor representative with the Division or with any other of the fifty state agencies, or the District of Columbia agency, or

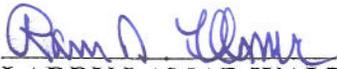
any United States territory agencies that register broker dealer representatives or investment advisors.

- H. The Division agrees to lift the Final Order in this matter. If Walters fails to comply with any of the terms of this Consent Agreement, then the Final Order shall be in full force and effect as of the date it was originally issued.
- I. This Consent Agreement contains the entire understanding between the parties and supersedes any prior understandings and agreements between them respecting the subject matter of this Consent Agreement. Furthermore, the parties herein represent that they have read each provision, understand each provision, and agree to each provision herein.
- J. A willful failure to comply with any of the terms, conditions or obligations of this Agreement will result in Walters being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties available under the Act.
- K. Walters irrevocably waives his right to a hearing on this matter at which he may be represented by counsel, present evidence, and cross-examine witnesses.
- L. The entry of this Agreement represents the settlement of regulatory claims by the Division against Walters only and does not, in any way, restrict or affect the rights or causes of action, if any, of any Mississippi residents.
- M. This Agreement pertains only to those matters set forth in the Order.

N. Walters acknowledges that he has read this Consent Agreement in its entirety and fully understands the rights, terms, and obligations contained therein.

WHEREFORE, the undersigned hereby acknowledge and agree to the terms and conditions of the foregoing Agreement by written consent.

THIS, the 08 day of JUNE, 2006



LARRY LAMAR WALTERS, Respondent
By and Through His Attorney,
Rance N. Ulmer

ERIC CLARK, Secretary of State

By: _____



JAMES O. NELSON, II
Assistant Secretary of State

