

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
CONCORD, NEW HAMPSHIRE**

IN THE MATTER OF:

**Salem Advisory Group, LLC
(CRD#145697)**

Respondent

INV2014-00024

CONSENT ORDER

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Salem Advisory Group, LLC (hereinafter referred to as "SAG"), has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, the Respondent does hereby consent to the following findings, conclusions, undertakings and sanctions:

The Facts

1. SAG is a state investment advisory firm with an address on record with the Bureau of 1332 Post Road, Suite 2A, Wells, Maine 04090 and CRD# of 145697. SAG was licensed with the State of New Hampshire as of 2/11/2014.
2. On 11/6/2013, SAG acquired six New Hampshire clients thereby establishing their obligation to be licensed with New Hampshire on 11/6/2013, about three months before they actually received licensure. Upon acquiring six clients, Respondent was no longer eligible for the de minimis exemption.
3. An Investment Advisor Representative of SAG, Lawrence Blake, CRD#2209589, has applied for licensure in New Hampshire but has not been licensed as yet, and therefore, has been acting unlicensed since 11/6/2013.

THE LAW

1. SAG is a investment adviser firm within the meaning of RSA 421-B:2,IX.
2. Pursuant to RSA 421-B:6,I, it is unlawful for any person to transact

business in this state as an investment adviser or investment advisor representative unless such person is licensed under RSA 421-B:6. SAG is subject to this section.

3. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. SAG is subject to this section.
4. Pursuant to RSA 421-B:26,III-a, every person who directly or indirectly controls a person liable under paragraph III, every principal executive officer, or director of such person, every person occupying a similar status or performing a similar function, every employee of such person who materially aids in the act or transaction constituting the violation, and every broker-dealer or agent who materially aids in the acts or transactions constituting the violation either knowingly or negligently, may, upon hearing, and in addition to any other penalty provided by law, be subject to such suspension, revocation, or denial of any registration or license, or administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties imposed pursuant to RSA 421-B:24 or civil liabilities imposed pursuant to RSA 421-B:25. SAG is subject to this section.
5. Pursuant to RSA 421-B:22,IV, the Bureau may order the payment of the cost of the investigation to be assessed following a administrative enforcement action.
6. Pursuant to RSA 421-B:31, an investment advisory firm and investment advisor agent must pay the appropriate yearly licensure fees.

II. In view of the foregoing, the Respondent agrees to the following undertakings and sanctions:

1. Respondent agrees that that they have voluntarily consented to the entry of this Order and represent and aver that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
2. Respondent agrees to waive their right to an administrative hearing and any appeal therein under this chapter.
3. Upon execution of this order by Respondent, Respondent, agrees to pay an administrative fine totaling in the amount of two thousand five hundred dollars (\$2,500) to the State of New Hampshire. All monitory payments

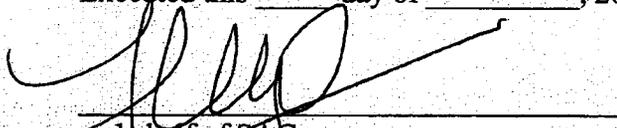
shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.

4. The Respondent shall pay costs to the State of New Hampshire in the amount of one thousand dollars (\$1,000).
5. The Respondent shall pay back licensure fees to the State of New Hampshire totaling seven-hundred and twenty dollars (\$720).
6. Total monetary payment to the State of New Hampshire is four thousand two-hundred and twenty dollars (\$4,220).
7. Respondent agrees that this Agreement is entered into for purpose of resolving only the matter and issues as described herein and no other issues pending before the State of New Hampshire. This Agreement shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Agreement shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct unrelated to this complaint.
8. The Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this consent agreement or create the impression that the consent agreement is without factual basis. Nothing in this provision affects the Respondents' testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent pay an administrative fine in the amount of two thousand dollars five-hundred dollars (\$2,500) as stated above.
2. Respondent pay costs in the amount of one thousand dollars (\$1,000).
3. Respondent pay back licensure fees in the amount of (\$720).
4. Respondent shall make all fine payments within 10 days from the date of Respondent's execution of this order.
5. Respondent complies with the above-referenced undertakings.

Executed this 1 day of October, 2014.

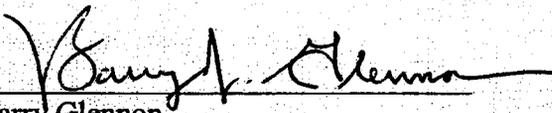


on behalf of SAG

Please print name below:

Kevin Colley

Entered this 3rd day of October, 2014.



Barry Glennon
Director