

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: *

CMSU & Associates, LLC * File No. 2008-0419

and *

Super Model Portfolio, LLP *

and *

James D. Holt *

and *

Ching S. Su *

Respondents *

* * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted by section 11-411(f) of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2007 Repl. Vol. and 2009 Supp.)(the “Act”), conducted an examination of the books and records of CMSU & Associates, LLC (“CMSU”); and

WHEREAS, on the basis of that examination the Maryland Securities Commissioner (the “Commissioner”) has concluded that grounds exist to allege that Respondent CMSU, its principals, James D. Holt (“Holt”) and Ching S. Su (“Su”), and the fund to which CMSU served as managing member, Super Model Portfolio, LLP (“SMP” or the “fund”) (collectively, “Respondents”) violated

sections 11-501, 11-411, 11-402, 11-401, and 11-302 of the Act; and

WHEREAS, the Commissioner and the Respondents have reached an agreement in this action whereby the Respondents, without admitting or denying any findings of fact or conclusions of law, consent to the terms of this Consent Order; and

WHEREAS, Respondents waive their right to a hearing and any rights they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

THEREFORE, before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and prior to the issuance of a final order in this proceeding, the Commissioner finds:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Act.

II. RESPONDENTS

2. CMSU is a Maryland based limited liability company with a principal place of business in Potomac, Maryland. CMSU has been registered as an investment adviser in Maryland since August 2001.

3. SMP is a Maryland limited liability partnership with a place of business in Potomac, Maryland. CMSU is the managing member of SMP.

4. At all times relevant to this matter, James D. Holt has maintained a place of business in Arlington, Virginia. Holt is an owner and principal of CMSU.

5. At all times relevant to this matter, Ching S. Su has maintained a place of business in Potomac, Maryland. Su is the President of CMSU.

III. FINDINGS OF FACT

Investment Adviser Representative Registration

6. CMSU applied for registration as an investment adviser with the Division in June 2000. CMSU also submitted applications to register its investment adviser representatives. CMSU's registration, and the registrations of its investment adviser representatives, were made effective in August 2001.

7. In March 2002, the Commissioner issued an order mandating that, by no later than August 31, 2002, all individuals currently registered as investment adviser representatives transition their registrations onto the Investment Adviser Registration Depository system (the "IARD").

8. CMSU failed to comply with the order and, consequently, the registrations of its investment adviser representatives were not transitioned onto the IARD. Their registrations expired as of December 31, 2002, and CMSU failed to renew their registrations for calendar year 2003.

9. From January 1, 2003 until March 2006, CMSU provided advisory services to SMP without registering the individuals providing the services. It wasn't until March 2006 that CMSU registered one of its principals, Ching S. Su. During the time that Su was not registered as an investment adviser representative, he served as the portfolio manager for SMP.

10. Almost another two years passed before CMSU submitted an investment adviser registration application for another principal, James D. Holt. During the period during which Holt was unregistered, he solicited advisory services on behalf of CMSU.

11. Holt and Su acted as unregistered investment adviser representatives on behalf of CMSU. CMSU employed unregistered investment adviser representatives.

Division's Examination of CMSU

12. In July 2008, the Division contacted CMSU regarding its failure to transition its investment adviser representatives onto the IARD system and its subsequent failure to register its investment adviser representatives.

13. In August 2008, the Division conducted an on-site examination of CMSU's advisory business.

14. During its examination of CMSU, the Division learned of issues, set forth below, regarding CMSU's securities offering, custody of client funds, and borrowing activities.

15. Since 2000, CMSU has been engaged in the business of serving as the general partner to, and managing the assets of, Super Model Portfolio, LLP, an investment fund formed to invest primarily in long-term capital growth securities. SMP is CMSU's sole advisory client.

16. CMSU and its principals, from late 2000 through 2007, solicited investment funds for SMP from more than 15 investors.

17. The SMP offering was not registered with the Division, exempt from the registration requirements, or subject to a claim of preemption.

18. As the general partner to an investment fund consisting of investor funds, CMSU had custody of the assets of SMP and its limited partners for calendar years 2001 through 2008.

19. For calendar years 2001 through 2008, CMSU failed to engage a public accountant to conduct a surprise examination of its client's assets and failed to file an audited balance sheet with the Commissioner.

20. On or about April 13, 2001, Holt borrowed \$54,000 from SMP. At the time of the loan, Holt's ownership interest in SMP was valued at less than \$54,000.

21. The loan was evidenced by a promissory note issued by Holt, which was repaid approximately one week later.

22. On or about June 14, 2001, Holt borrowed another \$52,000 from SMP. That loan too was evidenced by a promissory note. At the time of the loan, Holt's ownership interest in SMP was valued at less than \$52,000.

23. Holt repaid \$40,000 of the second loan on or about April 10, 2002 and the balance of the loan on June 25, 2003. Holt also made interest payments on the outstanding balance of the loan.

24. Subsequent to its examination of CMSU, and based upon CMSU's lack of compliance with the financial reporting and custody provisions of the Act, the Division caused CMSU to engage an independent CPA firm to conduct a verification of SMP's investors' assets.

25. In December 2008, CMSU engaged an independent CPA firm to conduct a verification of the assets of SMP's investors.

26. In late February 2009, however, the CPA firm notified the Division that it was resigning from the SMP engagement after learning, among other things, that SMP's majority investor, Stanford International Bank ("SIB"), was the subject of an SEC complaint. As part of the SEC action, the court appointed a receiver for SIB's assets. In March 2009, SIB's receiver wrote

CMSU requesting the liquidation of all of its assets in SMP. Consequently, CMSU requested the Division's approval to comply with the receiver's liquidation request. CMSU further notified the Division of its intent to completely liquidate SMP and to withdraw its registration as an investment adviser.

27. The Division allowed SMP to distribute some funds to SIB's receiver but requested that \$3 million, an amount exceeding the funds necessary to fulfill obligations owed to the remaining investors, be held back pending a verification of funds by the Division.

28. Upon completion of the Division's verification of funds, CMSU distributed the remaining assets to SMP's investors pro rata in accordance with their net capital balances.

29. On May 28, 2009, CMSU submitted an application to withdraw its registration as an investment adviser.

IV. CONCLUSIONS OF LAW

THE COMMISSIONER, THEREFORE, CONCLUDES AS A MATTER OF LAW:

30. Respondents violated section 11-501 of the Act by offering and selling securities that were neither registered nor exempt from registration in Maryland, and for which a claim of preemption had not been filed.

31. Respondents violated section 11-411 of the Act, and the regulations thereunder, by failing to file with the Commissioner an audited balance sheet for calendar years 2001 through 2008.

32. Respondent CMSU violated section 11-402 of the Act by employing unregistered investment adviser representatives.

33. Respondents Holt and Su violated section 11-401 of the Act by acting as unregistered investment adviser representatives.

34. Respondents violated section 11-302(f) of the Act, and the regulations thereunder, by failing to engage an independent public accountant to conduct a surprise examination of its client's funds for calendar years 2001 through 2008.

35. Respondent Holt violated section 11-302(a)(3) of the Act, and the regulations thereunder, by borrowing money from an advisory client.

V. CONSENT TO CEASE AND DESIST AND OTHER RELIEF

NOW, THEREFORE, IT IS HEREBY ORDERED, and each Respondent expressly consents and agrees that:

36. Each Respondent shall permanently cease and desist from engaging in activities in violation of sections 11-501, 11-411, 11-402, 11-401, and 11-302 of the Act and the regulations promulgated under the Act.

37. Respondents shall pay to the Office of the Attorney General a fine of \$10,000.

38. Respondent CMSU's investment adviser registration is withdrawn as of the date of this Order.

39. Each Respondent shall in all future activities in Maryland comply fully with the Act and the rules and regulations promulgated thereunder.

VI. JURISDICTION RETAINED

40. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

41. If any Respondent fails to comply with any term of this Consent Order, the Commissioner may institute administrative or judicial proceedings against that Respondent to seek to enforce this Consent Order or to seek to sanction that Respondent for violating an Order of the Commissioner, and may take any other action authorized under the Act or under any other applicable law, including the issuance of fines or penalties as provided by the Act. In any such proceeding in which, after an opportunity for a hearing, the Commissioner or the court finds that any Respondent has violated this Consent Order, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Findings of Facts and violations of the Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against Respondents.

42. In the event that judicial intervention in this matter is sought by the Commissioner or Respondents, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to section 11-702 of the Act. The Circuit Court for Baltimore City will have personal jurisdiction over Respondents pursuant to section 6-103(b) of the Courts and Judicial Proceedings Article, Title 6, Annotated Code of Maryland (2006 Repl. Vol. and 2008 Supp). Venue will be properly in that Court pursuant to section 6-201(a) and 6-202(11) of that article.

43. The terms of this Consent Order may be vacated or modified only by a subsequent order issued by the Commissioner.

SO ORDERED:

**Commissioner's Signature is
on File with Original Document**

Date: June 9, 2009

Melanie Senter Lubin
Maryland Securities Commissioner

BY CONSENT:

_____/S/_____
CMSU & Associates, LLC
by: James Holt, Partner

_____/S/_____
Super Model Portfolio, LLC
by: James Holt, Partner of CMSU &
Associates, LLC, managing member of Super
Model Portfolio, LLC

_____, 2009
Date

_____, 2009
Date

Subscribed and sworn to before me
this ____ day of _____, 2009.

Subscribed and sworn to before me
this ____ day of _____, 2009.

Notary Public

Notary Public

My Commission expires _____

My Commission expires _____

_____/S/
James D. Holt

_____, 2009
Date

Subscribed and sworn to before me
this ____ day of _____, 2009.

Notary Public

My Commission expires _____

_____/S/
Ching S. Su

_____, 2009
Date

Subscribed and sworn to before me
this ____ day of _____, 2009.

Notary Public

My Commission expires _____