

**ADMINISTRATIVE PROCEEDING**  
**BEFORE THE**  
**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

**IN THE MATTER OF:** )  
 )  
**CASHBOX MAGAZINE, INC. and** ) **ORDER TO CEASE AND DESIST**

\_\_\_\_\_ )  
**Respondents.** )

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division") has been authorized and directed by the Securities Commissioner of South Carolina (the "Securities Commissioner") to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the "Act"); and

WHEREAS, the Division received information regarding alleged securities-related activities of Cashbox Magazine, Inc. and Bruce Elrod (the "Respondents"); and

WHEREAS, based on the information received, the Division decided it was necessary and appropriate to open an investigation pursuant to S.C. Code Ann. § 35-1-602 to determine

**II. RESPONDENTS**

2 Respondent Cashbox Magazine, Inc. ("Cashbox") is a South Carolina corporation with a

last known address of 82 McFadden Lane, Ridgeway, South Carolina 29130.

3. Respondent Bruce Elrod ("Elrod") is a South Carolina resident with a last known address of 82 McFadden Lane, Ridgeway, South Carolina 29130 and is the registered agent of Cashbox.

**III. FINDINGS OF FACT**

12. Cashbox offered or sold those securities, in or from South Carolina, to at least 70 persons.

13. At no time relevant to this order, were the securities offered and sold by Cashbox registered with the Division, and no exemption from registration has been claimed.

14. In connection with the offer or sale of Cashbox securities, Elrod and Cashbox, through its duly authorized agents, told investors that the money invested would be used for operating capital to grow and expand Cashbox.

15. At no time relevant to this order was Elrod registered with the Division as an agent, and no exemption from registration has been claimed.

16. Contrary to the representations made to investors in connection with the offer and sale of

the Cashbox securities at issue, the majority of the known investors' money was used for

the personal use of Dave Elrod and other corporate insiders

scheme, or artifice to defraud; (2) to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

21. The Respondents, on more than one occasion, offered and sold securities in this State while those securities were not registered or federal covered and no exemption from

registration has been claimed. in violation of S.C. Code Ann. § 35-1-301.

controlled by or on behalf of Cashbox CEASE AND DESIST from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301, 35-1-402, and 35-1-501 thereof;

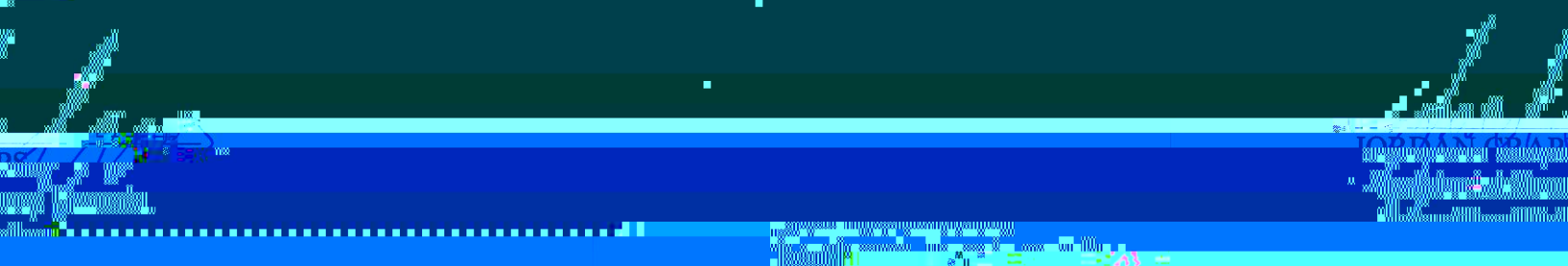
- b. Respondent Cashbox pay a civil penalty in the amount of Twenty Thousand Dollars (\$20,000) if this Order becomes effective by operation of law, or, if Cashbox seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Cashbox, and the actual cost of investigation or proceeding; and
- c. Respondent Elrod pay a civil penalty in the amount of Thirty Thousand Dollars (\$30,000) if this Order becomes effective by operation of law, or, if Elrod seeks a hearing and any

legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Elrod, and the actual cost of investigation or

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a

belief as to the truth of an allegation, he shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalties and assessed costs, becoming final as to that



FOR INFORMATION

CERTIFICATE OF SERVICE AND  
AFFIDAVIT OF COMPLIANCE  
Filing Number 12037

I hereby certify that I have served upon the individual/entity listed below a copy of the document indicated below and dated October 16, 2014, by serving a copy of said document upon the Secretary of the State of South Carolina.

THE STATE OF SOUTH CAROLINA  
JAMES H. HANCOCK, Governor  
1100 North Main Street  
Columbia, South Carolina 29201

Respectfully,  
\_\_\_\_\_  
James H. Hancock, Governor

\_\_\_\_\_  
James H. Hancock, Governor

I declare under penalty of perjury that the foregoing is a true and correct copy of the above listed entity in compliance with  
Section 55-1-611, Code of Laws of the State of South Carolina.

\_\_\_\_\_  
James H. Hancock

\_\_\_\_\_  
Theresa P. Navarre  
Secretary of State  
1100 North Main Street  
Columbia, South Carolina 29201

