

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

Arthur Vann,

Respondent.

ORDER TO CEASE AND DESIST

File No. 13089

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 activities of Arthur

### III. FINDINGS OF FACT

3. From at least January 2012 to the present, the Respondent has claimed to

invest in an off-shore investment fund, the Cayman Islands Development Fund, Ltd

(the "Cayman Fund").

4. In November 2012, the Respondent solicited a South Carolina resident (the "South Carolina Investor") to invest the proceeds of a personal pension fund in the Cayman

5. The Respondent alleged that the Cayman Fund would use a "bifurcated fund strategy" seeking to invest in "a mix of real estate, precious metals, and infrastructure and development projects in the Caribbean, North, Central and South America."

6. On or about November 7, 2012, the South Carolina Investor informed the

9 In response to the South Carolina Inventor's substance to invent the minimum

million into existing or new companies in the Cayman Islands (such as the [Cayman] Fund) will be qualified to obtain Cayman Islands permanent residence. Additionally, the [Cayman] Fund's CI counsel has agreed to waive all costs associated with an investor's residency application."

~~16. On or about 10/20/12, North Carolina Investor, having decided to invest in~~

the Cayman Fund, followed the Respondent's instructions and wired \$65,000.00 (the "Investor Funds") to the account of Mondial Expatriate Services USA, Inc., a Florida corporation under the control of the Respondent.

17. A review of bank records obtained by the Division indicates that, within six (6) weeks of receipt, the Respondent had spent the entirety of the Investor Funds on expenses

~~by the Cayman Fund, including but not limited to:~~

b. Falsely stating that the South Carolina Investor would receive a better than

nine percent (9%) return on his investments.

- c. Omitting to disclose that the Cayman Fund could not legally be offered for sale in South Carolina;
- d. Omitting to disclose that none of the Investor Funds would be invested in the Cayman Fund.

#### IV. CONCLUSIONS OF LAW

19. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, governs the offer and sale of securities in this State.

20. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts, stock, and certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.

21. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in this State unless that security is registered, a federal covered security, or exempt from registration.

22. Pursuant to S.C. Code Ann. § 35-1-402(a), it is unlawful for an individual to transact business as an agent in this State unless that individual is registered or exempt from registration.

?? Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection

necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; or (2) to engage in an act, practice, or course of business that operates or

would operate as a fraud or deceit upon another person.

24. Pursuant to S.C. Code Ann. §35-1-604(a)(1), if the Securities Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the Securities Commissioner may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with the Act.

25. Pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under § 35-1-604(a) is

scheme, device, or artifice to defraud; (2) through the making of untrue statements of material

**IT IS FURTHER ORDERED** that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Division that the Respondent may claim to rely upon under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), has been and is **PERMANENTLY REVOKED**.

**VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING**

The Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order to Cease and Desist, a written Answer specifically requesting a hearing. If the Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in

a record from the Respondent, will schedule the hearing for the Respondent.

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

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This Order does

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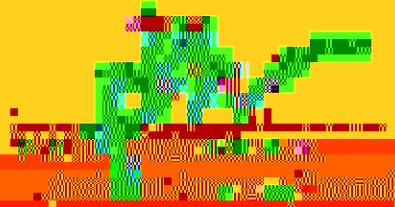
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below, and dated AUGUST 15, 1941, by serving a copy

John A. ...  
Frank ...  
William ...

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