

ADMINISTRATIVE PROCEEDING

**BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:

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)
)

ORDER TO CEASE AND DESIST

File No. 12070

Respondent.

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

II. RESPONDENT

2. Wendell Freeman is a resident of Richland County, South Carolina, with a last known address of 116 Laurent Way, Irmo, South Carolina 29063.

III. FINDINGS OF FACT

3. The Respondent, the self-styled "Apostle of the Reconciliation Ministry," operates or has operated a church known as the "Reconciliation Ministry" in the Columbia, South Carolina area.

4. The Respondent has, on at least two occasions, employed a scheme to enrich

~~by the Respondent, the self-styled "Apostle of the Reconciliation Ministry," in the Columbia, South Carolina area.~~

"Scheme").

Investor A

10. The Respondent further stated that he needed Investor A's money quickly and that he would be able to return an additional five thousand dollars (\$5,000) in profits to Investor A

within seven to ten (7 to 10) days.

11. Investor A eventually invested four thousand dollars (\$4,000) with the Respondent, and received a promissory note from the Respondent evidencing his investment.

12. However, the Scheme was merely a fabrication designed in order for the Respondent to obtain large sums of money.

13. Following his investment in the Scheme, neither Investor A's investment, nor his promised profits were returned to him.

Investor B

14. Investor B is a resident of Richland County, South Carolina

18. The Respondent explained that he needed money in order to pay various expenses related to the Lawsuit, including, but not limited to, having to “pay back taxes on the case,” “to file court documents,” and to “pay the judge.”

19. In exchange for her investment in the Scheme, the Respondent promised Investor B above-market returns on her investment in the Scheme.

20. Between July and September of 2011, Investor B invested a total of one hundred and twenty-three thousand dollars (\$123,000) in cash with the Respondent

IV. CONCLUSIONS OF LAW

27. 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.

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

29. 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.

30. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection with the offer or sale of a security in this State: (1) to employ a scheme, device, or artifice to defraud; (2) to make an untrue statement of material fact or to omit to state a material fact
management to make the statements made in light of the circumstances in which they were

32. Pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under § 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation sought, a statement of the reasons for the order, and notice that, within fifteen (15) days after the receipt of a request in a record from a Respondent, the matter will be scheduled for a hearing.

33. The investment opportunities offered and sold by the Respondent constitute securities as defined by the Act.

34. The investment opportunities offered and sold by the Respondent were neither
[redacted] ~~was~~ ~~discussed~~ ~~or~~ ~~present~~ ~~from~~ ~~registration~~ ~~nor~~ ~~registered~~ ~~with~~ ~~the~~ ~~United~~ ~~States~~

[redacted] Securities and Exchange Commission or the Division and were therefore sold in violation of [redacted]

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. The Respondent and every successor, affiliate, control person, agent, servant, and employee of the Respondent, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondent **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, § 35-1-301 and § 35-1-501 thereof; and
- b. The Respondent pay a civil penalty in the amount of Forty Thousand Dollars (\$40,000) if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed Ten Thousand Dollars (\$10,000) for each violation of the Act by the Respondent, and the actual cost of the investigation or proceeding.

IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and

(2) ~~any exemption from registration with the Division that the Respondent may claim to rely~~

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

relies, and shall set forth concisely the matters of law and affirmative defenses upon which the

Respondent relies. If the Respondent has pertinent knowledge or information sufficient to form a

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR

SIMILAR ACTS MAY RESULT IN THE

ADMINISTRATIVE

PROSECUTION OF THIS ORDER

BY THE UNITED STATES DEPARTMENT OF JUSTICE

AND/OR THE FEDERAL BUREAU OF INVESTIGATION

OF THE DEPARTMENT OF JUSTICE

AND/OR THE UNITED STATES ATTORNEY

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USA

DEPARTMENT OF JUSTICE

WESTERN DISTRICT OF VIRGINIA

MEMPHIS, TENNESSEE

MEMPHIS, TENNESSEE

MEMPHIS, TENNESSEE

MEMPHIS, TENNESSEE

individual/ firm, as stated below, by the delivery of the documents indicated below and dated July 21, 2014, by serving a copy of said documents upon the Securities Commissioner of the State of South Carolina.

South Carolina
Department of Public Safety
Department of Motor Vehicles
1110 Exchange Way
Columbia, SC 29201

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See...

By: Threschia P. Navarre

South Carolina Attorn

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(803) 753-1727

Subscribed and sworn to before me on this 21st day of July, 2014.
