

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

IN THE MATTER OF:

**First Merchant Network, and
Edward Morgan.**

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**ORDER TO CEASE AND DESIST
Matter No. 2018573**

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WHEREAS, the Securities Commissioner of South Carolina (the "Securities
Commissioner") has authorized and directed the Securities Division of the Office of the Attorney

III. FINDINGS OF FACT

4. FMN alleges that it engages in the business of providing loans to entities which cannot secure such loans from traditional lending sources.

5. FMN claims that it is able to provide these loans through money raised from individual investors (the "Investment Opportunity").

6. As part of the Investment Opportunity, FMN's investors are promised a return of their funds with interest.

7. Further, FMN promises "a full return" of each investment within 90 days.

8. While FMN refers to its investors as "Referral Agents" no action is required by

these investors beyond their initial investment in the Investment Opportunity.

9. The Investment Opportunity is not registered with the Division or with the United

10. In October of 2017, on behalf of Respondent FMN, Respondent Morgan contacted a South Carolina resident (the "South Carolina Victim").

11. Respondent Morgan solicited the South Carolina Victim to invest in the

c. Falsely stating that the South Carolina Victim's investment would be returned in ninety (90) days; and

d. Falsely representing that the South Carolina Victim would be entitled to "periodic

appointments" with one of the Respondents' "campaign managers."

IV. CONCLUSIONS OF LAW

14 The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101

days after the receipt of a request in a record from a Respondent, the matter will be scheduled for a hearing as to that Respondent.

20. The Investment Opportunity as offered and sold by the Respondents constitutes

securities industry in this State; and

- c. The Respondents shall jointly and severally pay a civil penalty in the amount of twenty thousand dollars (\$20,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by the Respondents 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

(3), any exemption from registration with the Division that the Respondents may claim to rely

This Order to Cease and Desist does not prevent the Division, or any other agency, including without limitation the State Securities Board, from pursuing any other remedies available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED this 11th day of July, 2018.

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Columbia, South Carolina 29201

ISSUANCE REQUESTED BY:

1000 Assembly Street
Columbia, South Carolina 29201

STATE OF NEW YORK

OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION
110 NASSAU ST., 15TH FLOOR
NEW YORK, NY 10038

Dear Mr. [Name]:

Re:

[Name of Company]

[Address]

[Address]

[Name of Company]

this [Day] day of [Month], 2018

[Signature]

[Text]

