ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	
	)	**CONSENT ORDER**
Clifton Rodney Michael	)	
(a/k/a "C. Rodney Michael,"	)	
a/k/a "Rodney Michael")	)	
	)	
and	)	**File No. 08006**
	)	
R & M Loans, Inc.,	)	
	)	
Respondents.	)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2008 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703, on or about October 31, 2008, received information regarding alleged activities of Clifton Rodney Michael (a/k/a "C. Rodney Michael," a/k/a "Rodney Michael") ("Michael") and R & M Loans, Inc. ("R&M") which would constitute violations of the Act;

WHEREAS, the information led the Division to open and conduct an investigation into the securities-related activities of Michael and R&M (collectively, the "Respondents") pursuant to S.C. Code Ann. § 35-1-602;

WHEREAS, in connection with its investigation, the Division determined Michael and R&M had engaged in acts or practices constituting violations of the Act and issued a Cease and Desist Order against Respondents which detailed the Division's findings and offered Michael and R&M an opportunity for a hearing on the matter; and

WHEREAS, Michael and R&M wish to resolve the above matter by Consent Order rather than by a formal hearing before the Securities Commissioner (the "Commissioner"); and

WHEREAS, Michael and R&M specifically deny the truth of the information contained in the Statement of Facts and specifically deny the statements set forth in the Conclusions of Law contained herein; and

Now THEREFORE, as evidenced by their execution of this Order, Michael and R&M hereby consent to the Sanctions and Remedies listed in the Order:

I. Jurisdiction

1. The Commissioner has jurisdiction over the matters herein pursuant to S.C. Code Ann. § 35-1-601.

II. Statement of Facts

2. Respondent Michael is a South Carolina resident.
3. During the relevant time period herein, Respondent R&M was a South Carolina corporation owned and controlled by Respondent Michael.
4. In or around 2003, Respondents began offering promissory notes in and from the State of South Carolina.
5. When making the offers, Respondents indicated the proceeds of the promissory notes would be used to make consumer loans and that the notes were "guaranteed."
6. During the relevant time period, in excess of ten (10) persons invested with Respondents.
7. In exchange for their investments, Respondents gave the investors promissory notes.
8. The terms of the promissory notes issued by Respondents varied, but most guaranteed rates of interest between ten (10%) and fifteen (15%) percent.
9. By November, 2007, Respondents had begun failing to meet their obligations to investors regarding the investors' interest rates.

10. Respondents had also defaulted on one or more of their obligations pursuant to the promissory notes entered with investors.

11. Respondent Michael, acting on behalf of himself and Respondent R&M, made the direct representations above to investors, and issued the promissory notes given to investors.

12. Respondent Michael maintained sole control of all bank accounts for Respondents.

13. A review of Respondents' bank accounts show Respondent Michael spent money given to him and Respondent R&M by investors in exchange for promissory notes on personal and/or other expenses which were unrelated to the business of R&M.

14. Respondent Michael, on behalf of himself and Respondent R&M, did not inform investors that their money would be used for personal and other expenses which were unrelated to R&M's business.

15. The promissory notes offered and sold by Respondents are securities pursuant to the Act.

16. The promissory notes offered and sold by Respondents were not registered for sale in or from the State of South Carolina, nor were they federally covered securities.

17. Respondent Michael is not and has never been registered in the State of South Carolina as an agent, investment adviser representative, or other person authorized to give financial advice or offer or sell securities in or from this State.

18. Respondent R&M has never been registered in the State of South Carolina as a broker-dealer or other person authorized to offer or sell securities in or from this State or to employ persons to act on his behalf to offer or sell securities in or from this State.

III. Conclusions of Law

Respondents violated S.C. Code Ann. § 35-1-501, when, in connection with the offer and sale of the Promissory notes above, they omitted to state at least two material facts necessary to make other statements made, in light of the circumstances under which they were made, not

misleading, such material facts being: (1) the principal and interest reflected on the notes given to investors was not guaranteed in the sense that investors were assured of receiving it as long as they held they notes to maturity and (2) Respondent Michaels intended to and ultimately did use some portion of the investors' funds for personal gain.

IV. Sanctions and Remedies

In view of the foregoing, the Commissioner deems it appropriate, in the public interest, for the protection of investors and consistent with the purposes intended by the Act, to impose the sanctions listed below on Respondents.

NOW, THEREFORE, IT IS HEREBY ORDERED, and Respondents expressly consent and agree that:

A. Respondents and all persons under Respondents' direction or control involved in the offer or sale of securities in or from the State of South Carolina shall permanently cease and desist from offering or selling any securities in or from this State and, shall also permanently cease and desist from violating the Act; and

B. Upon the Commissioner's execution of this Order, Respondent Michaels immediately shall pay two thousand dollars ($2,000.00) to the Division as reimbursement of a portion of the Division's investigative costs incurred in connection with the investigation of this case and shall pay within thirty days of the date of execution of this Order by all parties an administrative fine in the amount of eight thousand dollars ($8,000.00).

V. Conclusion

Upon execution by the Securities Commissioner, this Order resolves Administrative Proceeding 08006 as it relates to the Respondents. This Order should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to investors as

a result of Respondents' participation in the security offering described herein, or (iii) other causes of action which may result from activities of the Respondents not detailed above or which may hereafter arise.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING ADDITIONAL ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENALTIES. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES.

So ORDERED this 23 day of August, 2010.

By: _____
Henry McMaster
Securities Commissioner
State of South Carolina

WE CONSENT:

Securities Division of the Office of the Attorney General

By: _____ Date: 8.13.10
Tracy A. Meyers
Assistant Attorney General
Securities Division

Respondent Clifton Rodney Michael

By: _____ Date: 08.10.2010
Clifton Rodney Michael

Respondent R & M Loans, Inc.

By: _____ Date: 08.10.2010

Clifton Rodney Michael, owner