

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

IN THE MATTER OF:)
)
Renaissance Laser, LP,)
Michael Beller, and)
Madison Scott,)
)
Respondents.)
_____)

**ORDER TO CEASE AND DESIST
File No. 14014**

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 Michael Beller (“Beller”), Madison Scott (“Scott”), and Renaissance Laser, LP (“Renaissance Laser”) (collectively, 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 whether the Respondents had violated, were violating, or were about to violate the Act; and

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings of fact and conclusions of law:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

II. RESPONDENTS

2. Michael Beller is a Texas resident with a last known address of 4109 Julie Drive, Amarillo, Texas 79109.

3. Madison Scott is a Texas resident with a last known address of 7400 Golden Pond Place, Suite 10, Amarillo, Texas 79109.

4. Renaissance Laser was a Texas limited partnership with a last known address of 11661 Preston Road, Suite 128, Dallas, Texas 75230-7002.

III. FINDINGS OF FACT

5. Respondent Renaissance Laser was allegedly created to open and operate laser hair removal treatment centers.

6. Respondents Beller and Scott served as the principals of Renaissance Laser.

7. In order to fund the alleged operations of Renaissance Laser, the Respondents offered and sold shares in Renaissance Laser (the "Shares") to investors throughout the United States.

A. Respondents' Scheme

8. In order to aid in the offer and sale of the Shares, the Respondents engaged a self-proclaimed financial expert and purveyor of investment opportunities (the "Promoter") to recommend investing in the Shares to her clients.

9. In addition to numerous books on the subject of “wealth-building,” the Promoter held various seminars (the “Seminar” or the “Seminars”) for investors at which she and others offered numerous opportunities to invest in various companies.

10. The Respondents engaged the Promoter to offer the Shares to the attendees at her Seminars and compensated her with a fifteen percent (15%) stake in Renaissance Laser.

11. The Seminars were marketed to the public by general solicitation and general advertising by the Promoter and her staff through the Promoter’s website, radio broadcasts, television appearances, email and mailing lists, and other publications.

12. Because the shares were offered and sold to the Seminar attendees who had been the subjects of general solicitation, the Shares could not meet the safe harbor provisions of Regulation D as set forth in 17 C.F.R. § 230.502(c), specifically the requirement that “neither the issuer nor any person acting on its behalf shall offer or sell the securities by any form of general solicitation or general advertising, including, but not limited to . . . [a]ny seminar or meeting whose attendees have been invited by any general solicitation or general advertising.”

B. The Scheme Ensnarers South Carolina Investors.

13. In 2006, two South Carolina investors (the “South Carolina Investors”), having read several of her books, contacted the Promoter and sought her investment advice.

14. At the Promoter’s behest, the South Carolina Investors attended a series of Seminars in 2006.

15. At a November 2006 Seminar and elsewhere, the Respondents offered and sold the Shares to the South Carolina Investors.

16. The Respondents stated that the South Carolina Investors could expect a return of eighteen percent (18%) on their investment within the first year, and could expect a return of over twenty-six percent (26%) by 2011.

17. The South Carolina Investors purchased one hundred thousand dollars' (\$100,000) worth of the Shares at the November 2006 Seminar.

18. In early 2007, Respondents stated that business expansion would preclude distributions to investors scheduled for early 2007.

19. However, Renaissance Laser was not undergoing any expansion in 2007.

20. In July 2007, the Respondents announced to investors that the month of July 2007 was the "slowest month for the last 8 years with Renaissance."

21. In apparent contradiction to this announcement, Renaissance Laser's own private placement memorandum states that "Renaissance was formed . . . on March 1, 2006 and has a very limited financial and operating history."

22. The South Carolina Investors failed to realize the eighteen percent (18%) and twenty-six percent (26%) returns on their investment and instead lost the entirety of their one hundred thousand dollar (\$100,000) investment with the Respondents.

23. In connection with the offer and sale of the Shares, Respondents Beller and Scott and other agents of the Respondents, on behalf of the Respondents, made numerous false and misleading statements and omissions, including, but not limited to, the following:

- a. Omitting to disclose the true operating history of Renaissance Laser;
- b. Omitting to disclose the significant contingent liability faced by the Respondents in light of their failure to register properly the Shares and the lack of applicability of any exemption from registration;

- c. Omitting to disclose that the Shares could not legally be offered for sale in one or more of the jurisdictions in which they were offered or sold; and
- d. Omitting to disclose the commissions paid to the Promoter by the Respondents.

IV. CONCLUSIONS OF LAW

24. 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.

25. Pursuant to S.C. Code Ann. § 35-1-102(2), an agent is an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities, or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities.

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

27. 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,¹ or exempt from registration.

28. 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.

¹ Complying with the requirements of the safe harbor provisions of 17 C.F.R. § 230.501, *et seq.*, would preempt the requirements of § 35-1-301; however, as set forth above, the Shares failed to meet the safe harbor provisions' requirements.

29. Pursuant to S.C. Code Ann. § 35-1-402(d), it is unlawful for an issuer, engaged in offering, selling, or purchasing securities in this State, to employ or associate with an agent who transacts business in this State on behalf of that issuer unless that agent is registered under S.C. Code Ann. § 35-1-402(a).

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 necessary in order to make the statements made, in light of the circumstances in 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.

31. 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.

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 as to that Respondent.

33. The Shares offered and sold by the Respondents constitute securities as defined by the Act.

34. The Shares offered and sold by the Respondents were neither federal covered securities, exempt from registration, nor registered with the SEC or the Division and were therefore sold in violation of the Act.

35. The Promoter acted as an agent in the offer and sale of the Shares to the South Carolina Investors on behalf of the Respondents.

36. The Respondents employed an unregistered agent in violation of the Act.

37. The Respondents sold securities in this State: (1) while employing a scheme, device, or artifice to defraud; (2) through the making of untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and (3) by engaging in an act, practice, or course of business that operated as a fraud or deceit upon another person.

38. It is in the public interest, for the protection of investors, and consistent with the purposes of the Act that the Respondents be ordered to cease and desist from engaging in the above enumerated practices, which constitute violations of the Act, and pay an appropriate civil penalty for their wrongdoing.

V. CEASE AND DESIST ORDER

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

- a. The Respondents and every successor, affiliate, control person, agent, servant, and employee of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of either of the Respondents **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 Scott pay a civil penalty in the amount of Eighty Thousand Dollars (\$80,000) if this Order becomes effective by operation of law, or, if Respondent Scott 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 Respondent Scott, and the actual cost of the investigation or proceeding.
- c. Respondent Beller pay a civil penalty in the amount of Ten Thousand Dollars (\$10,000) if this Order becomes effective by operation of law, or, if Respondent Beller 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 Respondent Beller, 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 any 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 Respondents are hereby notified that they each have the right to a hearing on the matters contained herein. To schedule such a hearing, a 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 a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from a Respondent, will schedule the hearing for the requesting Respondent(s).

In the written Answer, a 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. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation 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 penalty and any assessed costs, becoming final as to that Respondent by operation of law.

This Order does not prevent the Division or any other law enforcement agency from seeking such other civil or criminal remedies that are available under the Act, including remedies related to offers or sales of securities by the Respondents set forth above.

[SIGNATURE PAGE FOLLOWS]

ENTERED, this the 4th day of December, 2014.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:

for em
TAYLOR FAW
Assistant Attorney General
Securities Division
Rembert C. Dennis Building
1000 Assembly Street
Columbia, South Carolina 29201

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 14014

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated December 4, 2014, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Renaissance Laser, LP
11661 Preston Road, Ste. 128
Dallas, TX 75230-7002

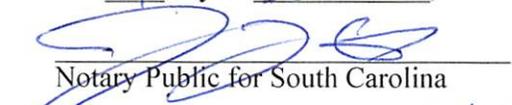
Document(s): Order to Cease and Desist

Mailed December 4, 2014 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By: 
Thresechia P. Navarro
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-4731

Subscribed and sworn to before me on
this 4 day of December, 2014.


Notary Public for South Carolina

My commission expires: 7/2/14

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 14014

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated December 4, 2014, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Mr. Michael Beller
Individually & as Principal
Renaissance Laser, L.P.
4109 Julie Drive
Amarillo, TX 79109

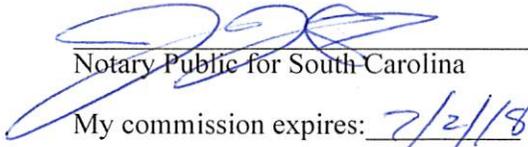
Document(s): Order to Cease and Desist

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By: 
Thresechia P. Navarro
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-4731

Subscribed and sworn to before me on
this 4 day of December, 2014.


Notary Public for South Carolina

My commission expires: 7/2/18

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 14014

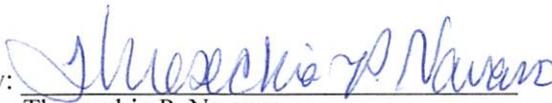
I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated December 4, 2014, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Madison Scott
Individually & as Principal
Renaissance Laser, LP
7400 Golden Pond Place
Suite 10
Amarillo, TX 79109

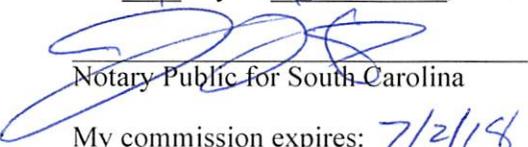
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By: 
Thresechia P. Navarro
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-4731

Subscribed and sworn to before me on
this 4 day of December, 2014.


Notary Public for South Carolina

My commission expires: 7/2/18