ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	
	)	**CONSENT ORDER**
Coastal Carolina Healthcare Associates, LLC,	)	
and Milton "Mills" Rooks,	)	**File No. 13080**
	)	
Respondents.	)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), after receiving information and pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-10 *et. seq.* (Supp. 2012), initiated an investigation into certain activities of the persons named as Respondents in the case caption above (the "Respondents"); and

WHEREAS, in connection with its investigation, the Division determined certain acts of the Respondents constituted violations of the Act; and

WHEREAS, the Respondents wish to resolve this matter by Consent Order rather than by a formal hearing before the Securities Commissioner (the "Commissioner");

NOW THEREFORE, as evidenced by their signatures on this Order, the Respondents neither admit nor deny the allegations set forth herein, but hereby accept each and every Section of this Order for purposes of entering and enforcing the Order:

I. JURISDICTION

1. The Respondents admit that the Commissioner has jurisdiction in this matter.

II. STATEMENT OF FACTS

2. Coastal Carolina Healthcare Associates, LLC, ("CCHA") is a South Carolina limited liability company.

3. Milton "Mills" Rooks ("Rooks") is a South Carolina resident with the last known address of 19 Riverwind Drive, Suite 19, Port Royal, South Carolina 29935.
4. At least by June 20, 2013, and as recently as October 7, 2013, Rooks posted on the CCHA website, under a link titled "Investors," the following: "Funding is achieved in a 'seed' round and a 'developmental round'. The seed round is accomplished through a Reg. D, Rule 504 Private Placement Offering, or a SEC Rule 147 (intrastate) offering, where most applicable."
5. At least by August 21, 2013, and as recently as October 9, 2013, Rooks has had posted on a publicly available Private Equity Networking Linkedin page that, "[CCHA] is offering equity through a Reg. D, Rule 504 offering," and "CCHA is sourcing 'seed' capital through a Reg. D, Rule 504 offering to cover developmental costs. I am looking to speak to potential investors and/or investor representatives who are members of this group and who might have an interest in these fine projects." The post then listed the Respondents' email address.
6. At least by September 17, 2013, and as recently as October 7, 2013, the Respondents have had posted a publicly available notice on innoventure.com declaring that he was seeking investors and funds through a "Reg. D, Rule 504 Private Placement Offering."
7. On October 1, 2013, the Respondents filed a Form D with the South Carolina Securities Division claiming the use of a Regulation D Rule 504 exemption from registration.
8. The Respondents have previously represented to Division staff and attest by their signature on this Consent Order, which is specifically deemed to be a document covered by S.C. Code Ann. § 35-1-505, that the Respondents have not sold any investments or securities in South Carolina and no investor money was received in response to the general solicitations and offers stated above.

III. CONCLUSIONS OF LAW

9. S.C. Code Ann. Section 35-1-301 deems it unlawful for a person to offer or sell a security in this State unless the security is a federal covered security, the security, transaction, or offer is exempted from registration under Sections 35-1-201 through 35-1-203, or the security is registered.
10. The securities the Respondents advertised and offered were not registered or exempt, and no claim has been made that it is a federally covered security.
11. The Respondents asserted a claim of exemption, however, the exemption is not applicable for the offering at issue.
12. Specifically, Respondents claim that the securities offered were offered in reliance on an exemption from registration contained in Rule 504 of Regulation D.
13. S.C. Code of Regulations R. 13-204 exempts from the registration requirements of the Act offers and sales of securities made in compliance with Regulation D of the Securities Act of 1933 ("Reg. D") which satisfy the additional conditions and limitations listed in S.C. Code of Regulations R. 13-204.
14. S.C. Code of Regulations R. 13-204(H) states that the exemption from registration shall not apply to transactions offered and sold in reliance on Rule 504 of Reg. D, unless, among other things, the limitation on the manner of offering and resale of securities set forth in Rules 502(c) and (d) of Reg. D is satisfied.
15. Rule 502(c) of Reg. D prohibits general solicitation.
16. The Respondents' Internet postings referenced above constitute general solicitations.
17. Accordingly, the exemption from registration contained in Rule 504 of Reg. D was not available to the Respondents during the time period in which they claim it.

18. Based on the foregoing, the Division has determined that during the time period of June 20, 2013, to October 9, 2013, the Respondents offered for sale securities which were not registered, exempt, or federal covered, in violation of S.C. Code Ann. Section 35-1-301.

IV. ORDER

Based on the foregoing, the Commissioner finds the investor protections and remedies in this Consent Order both appropriate and in the public interest for the protection of the investors and the capital markets of the State of South Carolina.

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

A. Effective immediately, Respondents will cease and desist from violating the Act; and

B. Respondents, jointly and severally, shall pay an administrative fine in the amount of Two thousand Dollars ($2,000) to the Division.

Upon execution by the Commissioner, this Order resolves Administrative Proceeding 13080 as it relates to the Respondents.

The parties to this Order agree the Order does not and should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to any investor or investors, (iii) action of any kind in any type of bankruptcy proceeding(s), or (iv) other causes of action which may result from any activity of the Respondents not specifically detailed above or which may hereafter arise.

IT IS SO ORDERED this 19 day of November, 2013.

By: Alan Wilson
Alan Wilson
Securities Commissioner
State of South Carolina

WE CONSENT:

Securities Division of the Office of the Attorney General

By: _____ Date: 11/15/2013

Jordan Crapps
Assistant Attorney General
Securities Division

Respondents

By: _____ Date: 11/08/2013

Coastal Carolina Healthcare Associates

By: _____ Date: 11/08/2013

Milton "Mills" Rooks