

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)	
)	
Curb Appeal Properties, Inc. and)	ORDER TO CEASE AND DESIST
Richard Van Blarcom (a/k/a "Rick Van Blarcom"),)	File No. 12051
)	
)	
<u>Respondents.</u>)	

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 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2011), received information regarding alleged activities of Curb Appeal Properties, Inc. and Richard Van Blarcom (collectively, the "Respondents") which, if true, could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the Respondents pursuant to S.C. Code Ann. § 35-1-602; and

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

1. Respondent Curb Appeal Properties, Inc. ("Curb Appeal") is a North Carolina corporation with the last known address of 1200 Clifton Street, Raleigh, North Carolina 27604.
2. Respondent Richard Van Blarcom ("Van Blarcom"), during the time period of the events described herein, was Curb Appeal's Vice President and Registered Agent.
3. Van Blarcom's last known address is 981 Ambassador Drive, Toms River, New Jersey 08753.
4. Van Blarcom was an authorized signatory on Curb Appeal's corporate bank account.
5. The only other signatory on Curb Appeal's corporate bank account was Van Blarcom's wife who also held the title of President of Curb Appeal.

6. By October of 2007, the Respondents had begun to offer and sell promissory notes issued by Curb Appeal (the "Promissory Notes") to South Carolina investors.
7. Van Blarcom sold at least six Promissory Notes to at least five South Carolina investors.
8. In connection with the offer and sale of the Promissory Notes, Van Blarcom told one or more South Carolina investors that Curb Appeal was in the acquisition and due diligence stage in the development of a residential community named "Heritage Manor" in Onslow County, North Carolina.
9. In connection with the offer and sale of the Promissory Notes, Van Blarcom told one or more South Carolina investors that Curb Appeal needed their investment to meet certain cash-on-hand requirements asked for by third party sources of financing. Van Blarcom stated that the money would be "show money" and would not be spent. Rather, the money would solely be used to secure other financing.
10. In connection with the offer and sale of the Promissory Notes, Van Blarcom stated to at least one South Carolina investor that the money would be deposited into an escrow account and the money would not leave that account. Van Blarcom stated further that once the financing was obtained, the money would be released from escrow and returned to the investor along with a return on the investment.
11. According to the Promissory Notes, the principal and interest owed would be paid upon the Promissory Note's maturity. Specifically, one Promissory Note promised to pay the South Carolina investor \$50,000 at the end of three years on a principal investment of \$25,000, and another Promissory Note promised to pay a South Carolina investor \$67,500 on \$50,000 principal at the end of four months.
12. As a result of the representations above, made by Van Blarcom, the known South Carolina investors invested approximately \$595,000 in the Promissory Notes.
13. Contrary to Van Blarcom's statements and representations, the investors' funds were deposited into Curb Appeal's corporate bank account.

14. Investors' funds were then used for various expenditures including personal expenses made by and for Van Blarcom and his wife.
15. Upon information and belief, the Respondents did not acquire the proposed land, make any significant progress towards acquiring financing, or begin the development of Heritage Manor.
16. Upon maturity, the Respondents did not honor the Promissory Notes, and the South Carolina investors did not receive the amounts due.
17. The Respondents utilized agents to locate and solicit potential investors and sell the Promissory Notes. These agents represented Curb Appeal, the issuer, in effecting or attempting to effect purchases or sales of the Promissory Notes. These agents were paid commissions on the successful sale of the Promissory Notes.
18. At no time relevant to the events described herein, were the Promissory Notes registered with the Division or a federal covered security, and no exemption from registration has been claimed.
19. At no time relevant to the events described herein, were Van Blarcom and one or more other agents employed by the Respondents registered with the Division to sell securities in or from the State of South Carolina.
20. Pursuant to S.C. Code Ann. Section 35-1-301, it is unlawful for a person to offer or sell a security in this State unless the security is registered, a federal covered security, or exempt from registration under S.C. Code Ann. Sections 35-1-201 through 35-1-203.
21. Pursuant to S.C. Code Ann. Section 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.
22. Pursuant to S.C. Code Ann. Section 35-1-402(a), it is unlawful for an individual to transact business as an agent in this State unless registered or exempt from registration.

23. Pursuant to S.C. Code Ann. Section 35-1-402(d), it is unlawful for a broker-dealer or an issuer engaged in offering, selling, or purchasing securities in South Carolina to employ an agent who is neither registered nor exempt from registration.
24. Pursuant to S.C. Code Ann. Section 35-1-501, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:
 - a. to employ a device, scheme, or artifice to defraud;
 - b. to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
 - c. to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.
25. On at least six occasions, Van Blarcom offered and sold unregistered securities in the State of South Carolina, in violation of S.C. Code Ann. Section 35-1-301.
26. On at least six occasions, Van Blarcom acted as an agent by representing the issuer, Curb Appeal, in effecting or attempting to effect the sales of securities in the State of South Carolina while Van Blarcom was not properly registered with the Division, in violation of S.C. Code Ann. Section 35-1-402(a).
27. Van Blarcom employed one or more agents to offer and sell securities while said agents were not properly registered with the Division, in violation of S.C. Code Ann. Section 35-1-402(d).
28. On at least nine occasions, Van Blarcom, in connection with the offer and sale of the security at issue, made material misstatements; omitted to state material facts necessary in order to make other statements made, in light of the surrounding circumstances under which they were made, not misleading; and engaged in acts or practices that operated as a fraud upon investors, in violation of S.C. Code Ann. Section 35-1-501.
29. On at least six occasions, Curb Appeal offered and sold unregistered securities in the State of South Carolina, in violation of S.C. Code Ann. Section 35-1-301.

30. On at least seven occasions, Curb Appeal employed agents to offer and sell securities while said agents were not properly registered with the Division, in violation of S.C. Code Ann. Section 35-1-402(d).
31. On at least nine occasions, Curb Appeal, acting by and through its agents, in connection with the offer and sale of the security at issue, made material misstatements; omitted to state material facts necessary in order to make other statements made, in light of the surrounding circumstances under which they were made, not misleading; and engaged in acts or practices that operated as a fraud upon investors, in violation of S.C. Code Ann. Section 35-1-501.

CEASE AND DESIST ORDER

WHEREAS, 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 or that a person has materially aided, is materially aiding, or is about to materially aid 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; and

WHEREAS, pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under Section 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation the Division will seek, a statement of the reasons for the order, and notice that a hearing will be scheduled if one is requested.

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a), IT IS HEREBY ORDERED that Curb Appeal Properties, Inc. and Richard Van Blarcom each:

- a. Immediately cease and desist from transacting business in this State in violation of the Act and, in particular, Sections 35-1-301, 35-1-402(a), 35-1-402(d), and 35-1-501 thereof; and
- b. Pay a civil penalty in an amount of \$10,000 for each of the twenty-two (22) violations of the Act committed by that Respondent and detailed in this Order.

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.

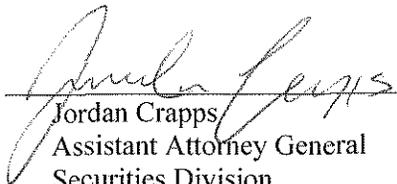
In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. 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 fees, becoming final as to that Respondent by operation of law.

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 FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS

ORDER COULD RESULT IN CRIMINAL PENALTIES UNDER S.C. CODE ANN. § 35-1-508 OF THE ACT.

IT IS SO ORDERED, This the 14 day of February, 2013.

By: 
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