

FACTUAL HISTORY

1. Respondent Thompson is a South Carolina resident with a last known address of 348 Old Sudlow Lake Road, North Augusta, South Carolina 29841.
2. On or around January 22, 2007, Respondent formed Mossy Development, LLC (“Mossy D”).
3. During the time period covered by the facts herein, Respondent served as control person and, until April 29, 2011, managing member of Mossy D.
4. During the time period covered by the facts set forth herein, the primary business address for both Respondent and Mossy D was 348 Old Sudlow Lake Road, North Augusta, South Carolina 29841.
5. In or around January, 2007, Respondent solicited one or more South Carolina residents (the “Investors”) to invest money in Mossy D.
6. These solicitations occurred in and from the State of South Carolina.
7. In connection with the solicitations, Respondent represented to one or more of the Investors that, in exchange for their investment, they would receive a membership interest in Mossy D.
8. Respondent further represented to one or more of the Investors that monies raised by the sale of Mossy D membership interests would be used to build a housing development called “Mossy Oak” in North Augusta, South Carolina, and that the Investors would receive a profit from the sale of lots and development of Mossy Oak.
9. The Investors’ funds were not used to build the Mossy Oak development.

10. Instead of using the Investors' funds to build the Mossy Oak development, Respondent diverted all or a portion of the funds for his personal use and/or the use of other entities and/or organizations owned, operated, and/or controlled by the Respondent and/or persons related to or associated with the Respondent.
11. Prior to soliciting one or more of the Investors to invest in Mossy D, Respondent and/or a limited liability company owned, operated or controlled by Respondent ("Namlen") had attempted to get a loan to complete the purchase of a piece of land on which Namlen and/or the Respondent had placed a deposit.
12. Prior to soliciting one or more of the Investors to invest in Mossy D, the loan was denied.
13. One or more of the Investors was not told of the material fact concerning the loan denial either prior to or at the time of their investment.
14. The Mossy D membership interests referred to above are "securities," as that term is defined by Section 35-1-102(29) of the Act.
15. The securities are not and have not been registered for sale in or from the State of South Carolina, and no notice of exemption or federal covered security has been filed concerning the securities.
16. At the time of the offers and sales of the membership interests referred to above, Respondent Thompson was not registered in the State of South Carolina as an agent, as that term is defined by Section 35-1-102(2) of the Act.

APPLICABLE LAW AND DETERMINATION

1. Pursuant to Section 35-1-503(a) of the Act, in a civil action or administrative proceeding under the Act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.
2. Pursuant to Section 35-1-602(a) (1) of the Act, the Securities Commissioner may conduct public or private investigations within or outside the State of South Carolina which the Securities Commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate the Act or a rule adopted or order issued under the Act, or to aid in the enforcement of the Act or in the adoption of rules and forms under the Act.
3. Regarding administrative remedies under the Act:
 - a. Pursuant to Section 35-1-604(a)(1) of the Act, 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.
 - b. Pursuant to Section 35-1-604(b) of the Act, a cease and desist order issued under Section 35-1-604(a)(1) of the Act must include a statement of any civil penalty or costs of investigation the Securities Commissioner will seek, a statement of the reasons for the order, and notice about a hearing.

- c. Pursuant to Section 35-1-604(d) of the Act, in a final order, the Securities Commissioner may impose a civil penalty in an amount not to exceed ten thousand dollars (\$10,000) for each violation.
 - d. Pursuant to Section 35-1-604(e) of the Act, in a final order, the Securities Commissioner may charge the actual cost of an investigation or proceeding for a violation of the Act or a rule adopted or order issued under the Act.
4. Pursuant to Section 35-1-102(29) of the Act, the membership interests the Respondent offered to the Investors are securities.
 5. In connection with the offer and sale of the membership interests to the Investors, Respondent violated Section 35-1-301 of the Act.
 6. In connection with the offer and sale of the membership interests to the Investors, Respondent violated Section 35-1-401(a) of the Act.
 7. In connection with the offer and sale of the membership interests to the Investors, Respondent violated Section 35-1-501 of the Act by making one or more untrue statements of material fact to the Investors. The untrue statements of material fact made to the Investors include, but are not limited to, statements made concerning the Respondent's intended use of investor funds.
 8. Based on the facts as set forth above, issuance of this Order is found to be in the public interest and for the protection of investors.

CEASE AND DESIST ORDER

IT IS HEREBY ORDERED that the Respondent:

- a. Cease and desist from offering and/or selling securities in violation of Sections 35-1-301, 35-1-401(a), and 35-1-501 of the Act; and
- b. Pay a civil penalty in the amount of ten thousand dollars (\$10,000.00) if this Order becomes effective by operation of law, or, if Respondent seeks a hearing and a hearing officer or any other legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by the Respondent.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

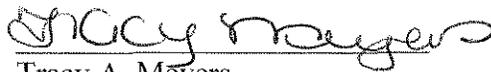
The Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, Respondent must file a written Answer specifically requesting a hearing with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Thresechia Navarro, within thirty (30) days of the service of this Order.

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. If Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

Failure by the Respondent to file a written request for a hearing within the thirty-day (30) period stated above shall be deemed a waiver of his right to such a hearing. Failure by the Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to the 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. REGARDING MATTERS DESCRIBED
HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE
CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C.
CODE ANN. § 35-1-508 OR ANY OTHER APPLICABLE CODE SECTION.

SO ORDERED, this 8th day of February, 2012.



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