

II. RESPONDENTS

2. Respondent Gwinn is a South Carolina resident with a last known address of 1151 Cedar Rock Church Road, Easley, South Carolina 29640.
3. Respondent Creative Exteriors is a South Carolina company with a last known address of 1151 Cedar Rock Church Road, Easley, South Carolina 29640.
4. At all times relevant to this Order, Respondent Gwinn was the owner and chief control person of Creative Exteriors.

III. FINDINGS OF FACT

5. In or about August 2007, a South Carolina resident (the "Investor") agreed to invest \$15,000 with the Respondents in exchange for a ten-percent (10%) interest in Creative Exteriors' income.
6. On or about August 1, 2007, the Investor drew and delivered a check payable to Gwinn for \$15,000.
7. Contrary to the representations made to the Investor by the Respondents in connection with the offer and sale of the security, the Respondents failed to deliver the Investor's portion of Creative Exteriors' income or, indeed, any proof of the Investor's interest in Creative Exteriors' income.
8. On or about December 1, 2010, the Respondents and the Investor executed a document modifying the terms of their initial agreement (the "Amendment").
9. The Amendment stated that the Respondents, in lieu of granting the Investor a ten-percent (10%) interest in Creative Exteriors' income, would complete a vinyl siding project on the Investor's property to satisfy the Respondents' debt to the Investor.
10. The Amendment further stated that the Respondents would complete the vinyl siding

project by October 30, 2011.

11. The Amendment further stated that if the Respondents did not timely complete the vinyl siding project, the Investor's \$15,000 would become a loan bearing interest of three percent (3%) and backdated two years from October 30, 2011.
12. The Amendment further stated that if the Investor's \$15,000 became a loan, the Respondents would pay it in full by June 1, 2012.
13. Contrary to the terms of the Amendment, the Respondents failed to complete the vinyl siding project by October 30, 2011, thus causing the Investor's \$15,000 to become a loan.
14. Contrary to the terms of the Amendment, the Respondents failed to pay the Investor \$15,000, plus interest, by June 1, 2012.
15. To date, the Investor has not received any proof of interest in Creative Exteriors' profits, the Respondents have not substantially begun performing the vinyl siding project, and the Investor has not been repaid any portion of his original \$15,000 investment.
16. Respondent William Gwinn represented Respondent Creative Exteriors in effecting or attempting to effect the transactions referenced above.
17. At no time relevant to the events stated herein was Respondent William Gwinn registered with the Division as an agent, and no exemption from registration has been claimed by Respondent Gwinn.
18. At no time relevant to the events stated herein were the securities at issue registered with the Division or federal covered securities, and no exemption from registration has been claimed by the Respondents.

IV. CONCLUSIONS OF LAW

19. 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.

20. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts, stock, and certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.
21. 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 a federal covered security, exempt from registration, or registered.
22. Pursuant to S.C. Code Ann. § 35-1-102(17), “issuer” includes a person that issues or proposes to issue a security.
23. Pursuant to S.C. Code Ann. § 35-1-102(2), an “agent” includes an individual, other than an issuer, who represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities.
24. Pursuant to S.C. Code Ann. § 35-1-402(a), it is unlawful for an individual to transact business in this State as an agent unless that individual is registered or exempt from registration.
25. Pursuant to S.C. Code Ann. § 35-1-402(d), it is unlawful for a broker-dealer, or 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 broker-dealers or issuers unless the agent is registered or exempt from registration.
26. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly (1) to employ a device, scheme, or artifice to defraud; (2) 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 (3) to engage in an

act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

27. The profit-sharing agreement as offered and sold by the Respondents is a security as defined by the Act.
28. The securities offered and sold by the Respondents were not federal covered securities, exempt from registration, nor registered with the United States Securities and Exchange Commission or the Division and were therefore offered and sold in violation of S.C. Code Ann. § 35-1-301.
29. Respondent William Gwinn, on at least one occasion, transacted business in this State as an agent while not registered, and no exemption from registration has been claimed in violation of S.C. Code Ann. § 35-1-402(a).
30. Respondent Creative Exteriors, on at least one occasion, employed or associated with an agent who transacted business on behalf of Creative Exteriors while that agent was not registered, and no exemption from registration has been claimed by the agent in violation of S.C. Code Ann. § 35-1-402(d).
31. The Respondents, on at least one occasion and in connection with the offer, sale, or purchase of a security, directly or indirectly (1) employed a device, scheme, or artifice to defraud; (2) made an untrue statement of a material fact or omitted 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 (3) engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon another person, in violation of S.C. Code Ann. § 35-1-501.
32. 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. Respondent Creative Exteriors and every successor, affiliate, control person, agent, servant, and employee of Creative Exteriors and every entity owned, operated, or indirectly or directly controlled by or on behalf of Creative Exteriors **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 William Gwinn **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;
- c. Respondent Creative Exteriors pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) if this Order becomes effective by operation of law, or, if Creative Exteriors seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Creative Exteriors and the actual cost of investigation or proceeding; and
- d. Respondent William Gwinn pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) if this Order becomes effective by operation of law, or, if Gwinn seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Gwinn, and the actual

cost of investigation or proceeding.

VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

Each Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the 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 the Respondent, will schedule the hearing for that Respondent.

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 the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he 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 additional civil or criminal remedies as are available under the Act, including remedies related to the offer and sale of securities by the Respondents set forth above.

ENTERED, this the 27th day of February, 2015.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:



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 13060

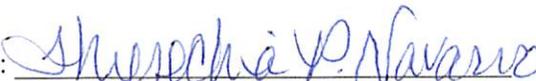
I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated February 27, 2015, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Mr. William Gwinn
Individually and as Owner of
Creative Exteriors
1151 Cedar Rock Church Road
Easley, SC 29640

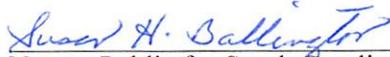
Document(s): Order to Cease and Desist

Mailed March 3, 2015 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 3rd day of March, 2015.


Notary Public for South Carolina

My commission expires: 6-29-21