

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

**Jonathan Turecki and Palmetto
Pub Company, LLC,**

Respondents.

ORDER TO CEASE AND DESIST

File No. 15065

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 Jonathan Turecki (“Turecki”) and Palmetto Pub Company, LLC (“Palmetto Pub”) (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. Respondent Turecki is a South Carolina resident with a last known address of 704 8th Avenue, North Myrtle Beach, South Carolina 29582.
3. Respondent Palmetto Pub is a South Carolina company with a last known address of 401 11th Avenue North, North Myrtle Beach, South Carolina 29582.
4. Respondent Palmetto Pub was formed on or about August 16, 2011.
5. At all times relevant to this Order, Respondent Turecki was the owner, registered agent, and chief control person of Respondent Palmetto Pub.

III. FINDINGS OF FACT

6. In or about October 2011, the Respondents approached a Colorado resident (“Investor A”) about a possible investment opportunity with the Respondents.
7. In connection with offering the investment opportunity, the Respondents provided Investor A with an Operating Agreement (the “Operating Agreement”).
8. In order to fund Respondent Palmetto Pub and its business operations as detailed in the Operating Agreement, the Respondents solicited Investor A to invest ten thousand dollars (\$10,000).
9. In connection with soliciting Investor A’s investment and as detailed in the Operating Agreement, the Respondents promised Investor A a return of twenty-five percent (25%) on Investor A’s investment, due and payable by January 15, 2014.
10. In connection with soliciting Investor A’s investment and as detailed in the Operating Agreement, the Respondents promised that Investor A would receive, in addition to the promised return of twenty-five percent (25%), one and one-half percent (1.5%) of the company’s net sales.
11. In connection with soliciting Investor A’s investment and as detailed in the Operating

Agreement, the Respondents stated that Investor A's investment would be used solely for the business expenses of the Respondents.

12. Contrary to the Respondents' representations, Investor A did not receive a twenty-five percent (25%) return on his investment by January 15, 2014.
13. Contrary to the Respondents' representations, the Respondents did not repay Investor A on January 15, 2014.
14. Contrary to the Respondents' representations, Investor A's investment was used for the personal expenses of the Respondents.
15. On or about December 8, 2011, the Respondents approached a second Colorado resident ("Investor B") about a possible investment opportunity with the Respondents.
16. In connection with offering the investment opportunity, the Respondents provided Investor B with a copy of the Operating Agreement.
17. Ostensibly to fund Respondent Palmetto Pub and its business operations as detailed in the Operating Agreement, the Respondents solicited Investor B to invest ten thousand dollars (\$10,000).
18. In connection with soliciting Investor B's investment and as detailed in the Operating Agreement, the Respondents promised Investor B a return of twenty-five percent (25%) on Investor B's initial investment, due and payable by January 15, 2014.
19. In connection with soliciting Investor B's investment and as detailed in the Operating Agreement, the Respondents promised that Investor B would receive, in addition to the promised return of twenty-five percent (25%), one and one-half percent (1.5%) of the company's net sales.
20. In connection with soliciting Investor B's investment and as detailed in the Operating Agreement, the Respondents stated that Investor B's investment would be used solely for

the business expenses of the Respondents.

21. Contrary to the Respondents' representations, Investor B did not receive a twenty-five percent (25%) return on his investment.
22. Contrary to the Respondents' representations, the Respondents did not repay Investor B on January 15, 2014.
23. Contrary to the Respondents' representations, Investor B's investment was used for the personal expenses of the Respondents.
24. Respondent Turecki represented Respondent Palmetto Pub in effecting the above transactions in securities.
25. At no time relevant to the events stated herein was Respondent Turecki registered with the Division as an agent, and no exemption from registration has been claimed by Respondent Turecki.
26. 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

27. 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.
28. Pursuant to S.C. Code Ann. § 35-1-102(29), notes, stock, and certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.
29. 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.
30. Pursuant to S.C. Code Ann. § 35-1-102(4), an "issuer" includes a person who issues or

proposes to issue a security.

31. 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 securities.
32. 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.
33. Pursuant to S.C. Code Ann. § 35-1-402(d), it is unlawful for an issuer to employ or associate with an agent who transacts business on behalf of an issuer while that agent is not registered.
34. 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.
35. 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 offered and sold in violation of S.C. Code Ann. § 35-1-301.
36. Respondent Turecki, on at least two occasions, transacted business in this State as an unregistered agent.
37. Respondent Palmetto Pub, on at least two occasions, employed or associated with an

unregistered agent who transacted business on behalf of Palmetto Pub while that agent was not registered.

38. The Respondents, on at least two occasions 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.
39. 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 Palmetto Pub Company, LLC and every successor, affiliate, control person, agent, servant, and employee of Palmetto Pub Company, LLC and every entity owned, operated, or indirectly or directly controlled by or on behalf of Palmetto Pub Company, LLC **CEASE AND DESIST** from transacting business in this State in violation of the Act, in particular, §§ 35-1-301, 3-1-402(d), and 35-1-501 thereof;
- b. Respondent Jonathon Turecki **CEASE AND DESIST** from transacting business in this State in violation of the Act, in particular, §§ 35-1-301, 35-1-402(a), and 35-1-501

thereof;

- c. Respondent Palmetto Pub Company, LLC pay a civil penalty in the amount of thirty thousand dollars (\$30,000) if this Order becomes effective by operation of law, or, if Palmetto Pub 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 Palmetto Pub and the actual cost of investigation or proceeding; and
- d. Respondent Jonathon Turecki pay a civil penalty in the amount of thirty thousand dollars (\$30,000) if this Order becomes effective by operation of law, or, if Turecki 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 Turecki, and the actual cost of 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 upon which the Respondents may claim to rely 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

Each Respondent is hereby notified that it has 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 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 a 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 offers and sales of securities by the Respondents set forth above.

ENTERED, this the 28th day of January, 2016.

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 15065

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated January 28, 2016, 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. Jonathan Turecki
Individually & as Owner & Registered Agent of
Palmetto Pub Company, LLC
704 8th Avenue
North Myrtle Beach, SC 29582

Document(s): Order to Cease and Desist

Mailed January 28, 2016 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.

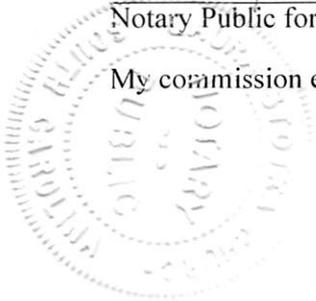
By: Thresechia P. Navarro
Thresechia P. Navarro
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-4731

Subscribed and sworn to before me on
this 28th day of January, 2016.

Leanne Stotka Church

Notary Public for South Carolina

My commission expires: 3-10-18



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