

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)	
)	ORDER TO CEASE AND DESIST
James T. Orr, Debra Orr and)	
Bounty Land Finance, Inc.,)	
)	
Respondents.)	File Number 08050
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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. 2009), on or around October 9, 2008, received information regarding alleged activities involving James T. Orr, Debra Orr, and Bounty Land Finance, Inc. (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 into the activities 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. Bounty Land Finance, Inc. ("Bounty Land") was a consumer loan business headquartered in Seneca, South Carolina.
2. Bounty Land ceased doing business on or around October 9, 2008.

3. Prior to October 9, 2008, Bounty Land had been in business in South Carolina for approximately twenty-two years.
4. At the time Bounty Land ceased doing business, it was a South Carolina corporation with a last known address of 110 Colonial Plaza, Seneca, South Carolina, 29678.
5. During the time period of the transactions herein, Bounty Land Finance Inc. was owned and operated by James T. Orr and his wife, Debra Orr.
6. The Orrs were citizens of South Carolina residing at 115 Mountain Springs Road, West Union, South Carolina 29696.
7. During the time period of the transactions herein, there were four employees who worked in the Bounty Land Finance office located at 110 Colonial Plaza in Seneca, South Carolina (the "Seneca office").
8. The employees who worked in the Seneca office were James T. Orr, Debra Orr, Jennifer Wilson and Angela Fletcher.
9. Jennifer Wilson is a South Carolina citizen, with a last known address of 247 Flat Rock Road, Walhalla, South Carolina 29691.
10. Angela Fletcher is a South Carolina resident, with a last known address of 117 Mountain Springs Road, West Union, South Carolina 29696.
11. Both Jennifer Wilson and Angela Fletcher are daughters of Debra Orr.
12. During the time period including at least the period in or around March, 1986 to in or around September, 2008, Bounty Land funded its loan business by selling notes to local investors ("Bounty Land Notes").
13. Bounty Land Notes have been issued for various rates of interest, often between 6 and 10 percent, over the past twenty-two years.

14. The Bounty Land Notes constitute “securities” pursuant to the Act.
15. The Bounty Land Notes were offered for sale in and from the State of South Carolina.
16. The Bounty Land Notes were not registered for sale in or from the State of South Carolina, and the Notes did not constitute federal covered securities.
17. Respondents James and Debra Orr, during the time period of the transactions complained of, were not licensed to sell securities in or from the State of South Carolina.
18. No exemption from securities or agent registration has been filed or claimed by Respondents or anyone acting on Respondents’ behalf.
19. On October 9, 2008, Bounty Land entered into a South Carolina Circuit Court of Common Pleas ordered receivership. The Court appointed receiver is Lowell Ross, of the Ross Law Firm, PA, located at 210 West Broad Street, Walhalla, South Carolina.
20. At the time of the court ordered receivership, Bounty Land Finance Inc. had notes outstanding with fifty-one investors. Upon information and belief, the amount Bounty Land reported it owed the fifty-one investors (“Noteholders”) at the time Bounty Land ceased doing business totaled \$3,532,611.40. Approximately 43 of the Noteholders are residents of the State of South Carolina.
21. Respondent Debra Orr is one of the fifty-one investors.
22. As of January 1, 2009, Debra Orr held notes in her name totaling \$435,354.47.
23. Bounty Land had been insolvent for at least two years when it entered the court ordered receivership.

24. While Bounty Land was insolvent, Respondents accepted a number of new investments and renewed a number of existing investor notes.
25. The Noteholders who made new investments in Bounty Land Notes during the period of Bounty Land's insolvency were given no indication of Bounty Land's financial problems.
26. Noteholders who renewed Bounty Land Notes during the period of Bounty Land's insolvency were not told of Bounty Land's insolvency by Respondent James Orr or even that Bounty Land was experiencing cash flow pressures.
27. Respondent James Orr took money and in return issued Bounty Land Notes to at least three new investors and renewed notes for at least three existing Noteholders during the time period from August 2, 2008 to October 9, 2008.
28. When investors inquired about Bounty Land's financial condition during 2008, they were told by Respondent James Orr that there were no problems and the "business is fine."
29. From in or around August, 2005 to June, 2006, Jennifer Wilson misappropriated approximately \$134,000 belonging to Bounty Land.
30. Jennifer Wilson's misappropriation of Bounty Land money was investigated by the Seneca Police Department.
31. Following her misappropriation, Jennifer Wilson entered a first offender program ("Pre-Trial Intervention").
32. When Jennifer Wilson entered the Pre-Trial Intervention program, she agreed to pay back over time the money she had stolen.
33. As of the date Bounty Land closed, Jennifer Wilson had not paid back the money she had stolen.

34. At least 28 Noteholders renewed notes and invested in new notes during the time period from June, 2006, to October 9, 2008.
35. Upon information and belief, Noteholders that renewed notes or invested in new notes during the June, 2006, to October 9, 2008, time period were not informed of Bounty Land's loss as a result of Jennifer Wilson's actions.
36. The Noteholders also were not informed by Respondents James Orr or Debra Orr that, following the thefts, Bounty Land began facing cash flow pressures.
37. Noteholders were not told that Bounty Land's cash flow pressures during the period June, 2006, to October 9, 2008, became so severe that company managers (Respondents James Orr and Debra Orr) began to use credit cards and/or cash advances from credit card accounts to obtain cash and pay bills as they came due. Noteholders were not informed of these cash flow pressures by Respondents James Orr or Debra Orr.
38. A review of Bounty Land's accounting records indicates that deposits for approximately \$106,000 of the total \$435,354.47 in notes held by Respondent Debra Orr can not be found or accounted for.
39. Respondent Debra Orr has represented in sworn statements that she invested the entire amount of \$435,354.47 in Bounty Land Notes.
40. At least two Noteholders were told a life insurance policy existed that would protect the Bounty Land Noteholders should Respondent James Orr die. No such life insurance policy existed for the benefit of Noteholders at that time the above representation was made.
41. The facts Bounty Land was insolvent and had cash flow pressures; Jennifer Wilson misappropriated funds from the company; Debra Orr received one or

more notes from Bounty Land for inadequate consideration; and no life insurance policy existed which inured to the benefit of Bounty Land Noteholders at the time James Orr represented one did, are all material facts.

WHEREAS, the Bounty Land Notes offered by Respondents in and from South Carolina are "securities" within the meaning of S.C. Code Ann. § 35-1-102(29); and

WHEREAS, the Bounty Land Notes offered for sale in and from this State were not registered, federal covered securities, or exempt from registration under the Act; and

WHEREAS, Respondents James and Debra Orr were not registered or exempt from registration as agents authorized to offer and sell securities in and from this State; and

WHEREAS, Respondents James and Debra Orr, in connection with the offer and sale of Bounty Land Notes, employed a device, scheme, or artifice to defraud and/or made untrue statements of material facts and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

WHEREAS, based on the foregoing, the Division has determined that the Respondents have engaged in acts and practices which violate S.C. Code Ann. §§ 35-1-301, 35-1-402(a), and 35-1-501; and

WHEREAS, after due deliberation, the Division finds that it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to issue the following Order:

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that Respondents James T. Orr, Debra Orr, and Bounty Land Finance, Inc.:

- 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), and 35-1-501 thereof; 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 a 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 committed by that Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

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 of notification of the issuance of this Order to Cease and Desist a written Answer specifically requesting a hearing therein.

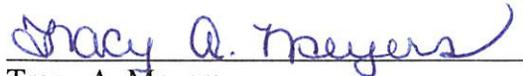
In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative

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 his 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, 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 PROSECUTION. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES.

SO ORDERED, This 16th day of March, 2010.



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