

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)
)
Educator of Truth, and His or Her)
Successors, a Corporation Sole, d/b/a)
Educational Empowerment Corp; and)
Mark Laurence Donald Emerson,)
)
)
Respondents.)
)
_____)

ORDER TO CEASE AND DESIST

Matter No.: 20232116

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, and the regulations and rules promulgated thereunder (collectively, the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Educator of Truth, and His or Her Successors, a Corporation Sole, d/b/a Education Empowerment Corporation (“EEC”) and Mark Laurence Donald Emerson (“Emerson”) (collectively, the “Respondents”). In connection with its investigation, the Division has determined that evidence exists to support the Findings of Fact and Conclusions of Law set forth below, and the issuance of this Order to Cease and Desist.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. RELEVANT PERIOD

2. Except as otherwise expressly stated, the conduct described herein occurred between January 1, 2023, and the present (the “Relevant Period”).

IV. RESPONDENTS

3. EEC is a Nevada corporation formed on April 17, 2003, with its principal place of business in Austin, Texas. EEC purports to be a tax-exempt, 501(c)(3) organization. EEC purports to be a “business” entity associated with The Legacy of the Angels (“LOTA”), an unincorporated spiritual organization of “Angels” dedicated to uplifting humanity and eliminating needless human suffering, and is controlled by LOTA’s board. Emerson describes himself as the “Chief Angel” and founder of LOTA.

4. Emerson is a resident of Texas and is the President and co-founder of EEC. Emerson describes himself as a “spiritual missionary” who teaches math and has developed an “educational product” called “Algebra Victory” or “AlgebraVictory.”

V. FINDINGS OF FACT

A. The Algebra Victory Offering

5. Algebra Victory is a product being developed by EEC that will allegedly assist students in learning math. The Respondents claim that Algebra Victory will unlock the hidden and suppressed potential of millions of kids in America and around the world, generating huge returns for investors. Algebra Victory was supposed to launch in the fall of 2023 and include more than 500 videos of Emerson teaching.

6. To develop the Algebra Victory product, the Respondents began raising money by offering and selling investment units in EEC.

7. As early as January 2023, the Respondents offered investment units issued by EEC through a website accessible to the general public at algebravictory.com (the “Website”).¹

8. The offering prospectus, titled “Algebra Victory Sacred Investment Prospectus” (the “Prospectus”) was made available on the Website by the Respondents on January 31, 2023.

9. Throughout the Relevant Period, the Respondents have made multiple revisions to the Prospectus, including a version posted on the Website on April 14, 2023 (the “4/14 Prospectus”).

10. The 4/14 Prospectus describes EEC as a patriotic, nonprofit, spiritual, educational, tax-exempt, 501(c)(3) organization seeking capital to develop the Algebra Victory product and sell it to a vast market, focusing initially on homeschoolers.

11. The 4/14 Prospectus solicits investments in EEC, the proceeds of which will be used to further promote Algebra Victory, hire staff to develop and operate Algebra Victory, and purchase equipment and office space.

12. The Respondents characterize their investment units as “Charms,” which are further subdivided into two classes, “Hearts” and “Stars.”

13. In the 4/14 Prospectus, the Respondents describe Hearts as a tax-deductible donation. Returns from the investment, generated by sales of the Algebra Victory product, are paid as grants to the investor’s nonprofit or a nonprofit designated by the investor. Returns from Stars are paid directly to the investor.

14. According to the 4/14 Prospectus, EEC’s Charm system allows investors to receive cash returns, resembling dividends, but operates within the nonprofit sector.

¹ The URL, algebravictory.com and algebravictory.org redirects visitors to legacyoftheangels.org On the legacyoftheangels.org website, Emerson claims that EEC is “under the umbrella” of Legacy of the Angels a/k/a LOTA, which he claims is “an unincorporated spiritual organization of Angels.”

15. The 4/14 Prospectus describes six levels of investment packages, ranging from \$990 to \$1,000,000, with a maximum aggregate investment from all packages up to \$5,000,000.

16. Investors choose an investment package and decide whether to receive their Charms as Hearts or Stars, and then receive the corresponding amount of Hearts or Stars depending on their level of investment.

17. Charms, regardless of their form, are designed to pay investors a return based on the success of the Respondents and the Algebra Victory product.

18. The 4/14 Prospectus even includes a section titled “*What will happen with the mountain of cash from AlgebraVictory?*” where the Respondents promise investors a portion of the “mountain of cash” that Algebra Victory will generate (over \$500 million annually, according to the 4/14 Prospectus).

19. By purchasing Charms, whether Hearts or Stars, investors are investing in a common enterprise with the expectation of profits to be derived from the efforts of the Respondents.

B. Misrepresentations & Omissions

20. Throughout the Relevant Period and in each published prospectus, the Respondents have made several material misrepresentations and omissions in relation to the Algebra Victory offering.

21. For example, the Respondents promise extraordinarily high returns, ranging from 2,093% on a \$990 investment, up to 3,242% on a \$1,000,000 investment.

22. The Respondents further claim that the “projected pre-offering current valuation of EEC is \$132,551,301,” a figure derived by the Respondents from their own valuation based on revenue growth projections of 3,259% from 2023-24, 288% from 2024-25, and 400% in both

2025-26 and 2026-27. The Respondents justify these projections by stating that “our projection of 2,000% (20x) returns is well within the norms of the startup space.” However, the Respondents fail to explain how the Algebra Victory offering was reasonably comparable to such investments.

23. The projections represented by the Respondents are based on unrealistic assumptions that have not been adequately explained. Specifically, the Respondents claim that the English-speaking homeschool sales market for Algebra Victory is \$505,000,000, based on 1,775,000 students, and that the “non-English market is huge.” Despite the “huge” non-English market potential, the Respondents, in the 4/14 Prospectus, recognized that they have “not yet attempted to quantify any of this expanded market potential (other than making rough guesses for 2026 and 2027 revenues in our financial projection, without the higher pricing).”

24. Even though attempts to quantify the non-English speaking market have not been made by the Respondents, the 2027 financial projection in the 4/14 Prospectus assumes 3,657,558 enrollments in Algebra Victory—more than double the size of the English-speaking market.

25. The Respondents provide no basis or support for the 3.6 million projected enrollments.

26. Without further explanation or justification, the financial and enrollment projections made by the Respondents in the 4/14 Prospectus are materially misleading.

C. Exemption Claims

27. In the 4/14 Prospectus, the Respondents claim that EEC’s Charms are exempt from registration in South Carolina pursuant to S.C. Code Ann. § 35-1-201(7) because EEC is organized as a non-profit organization.

28. EEC did not provide evidence supporting its claim of exemption, nor did EEC provide any determination of nonprofit status from the Internal Revenue Service.

29. Respondents are not registered with the Division to offer or sell securities in South Carolina.

30. EEC's Charms securities have never been registered with the Division.

D. Other State Actions

31. Several other states have taken action against the Respondents for conduct related to the Algebra Victory offering, including Nevada, Vermont, North Dakota, Maine, and Washington.²

VI. CONCLUSIONS OF LAW

32. Paragraphs 1 through 31 are incorporated by reference as though fully set forth herein.

33. The Charms, including both the Hearts and Stars, are securities as defined in S.C. Code Ann. § 35-1-102(29).

34. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in South Carolina unless the security is registered, exempt from registration, or a federal covered security.

² See, State of Nevada Office of the Secretary of State Securities Division, File No. E23-00474, *In the Matter of: Educator of Truth, and His or Her Successors, a Corporate Sole*, Order Disallowing Exemption, February 16, 2023; see also, State of Vermont Department of Financial Regulation, Docket No. 23-001-S, *In Re: Educator of Truth, and His or Her Successors, a Corporation Sole, DBA Educational Empowerment Corp. and Mark Laurence Donald Emerson*, Stipulation and Consent Order, May 5, 2023; State of Maine Office of Securities, Docket No. 23-19169, *In Re: Educational Empowerment Corporation ("EEC") (Legal Name: Educator of Truth and His or Her Successors, a Corporation Sole) and Mark Laurence Donald Emerson, Chief Executive Officer, EEC*, Consent Order to Cease and Desist and Denying Exemptions, August 29, 2023; and State of Washington Department of Financial Institutions Securities Division, Order No. S-23-3552-24-CO01, *In the Matter Determining Whether there has been a violation of the Securities Act of Washington by: Educator of Truth, and His or Her Successors, a corporation sole, d/b/a Educational Empowerment Corporation; Mark Laurence Donald Emerson*, Consent Order, February 6, 2024.

35. The Respondents violated S.C. Code Ann. § 35-1-301 by offering and/or selling securities in South Carolina which were not registered, exempt from registration, or federal covered securities.

36. 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, to (1) employ a device, scheme, or artifice to defraud, (2) make an untrue statement of 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.

37. The Conduct of the Respondents, as alleged in paragraphs 21-23, *supra*, constitutes a violation of S.C. Code Ann. §§ 35-1-501.

38. Each violation of S.C. Code Ann. §§ 35-1-301 and 35-1-501 is a separate violation of the Act.

39. The Respondents' violations of the Act set forth above provide the basis for this Order to Cease and Desist, pursuant to S.C. Code Ann. § 35-1-604(a)(1).

40. This Order is appropriate and in the public's interest, pursuant to the Act.

VII. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Each Respondent and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of each of the Respondents shall

CEASE AND DESIST from transacting business in this State in violation of the Act; and

- b. The Respondents shall jointly and severally pay a civil penalty in the amount of twenty thousand dollars (\$20,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by the Respondent(s) and the actual cost of the investigation or proceeding.

VIII. NOTICE OF OPPORTUNITY FOR HEARING

Each of the Respondents is hereby notified that each has the right to a formal hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Division within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If any Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a written request, will schedule a hearing for that Respondent. The written request shall be delivered to the Office of the Attorney General, 1000 Assembly Street, Columbia, South Carolina 29201, or mailed to the Office of the Attorney General, Attention: Securities Division, P.O. Box 11549, Columbia, South Carolina 29211-1549.

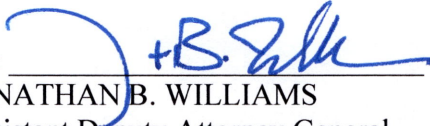
In the written Answer, a Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth the specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, the Respondent 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's becoming final by operation of law. The regulations governing the hearing process can be found at S.C. Code of Regulations § 13-604.

This Order does not prevent the Division or any other agency from seeking additional 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 13th day of May, 2025.

ALAN WILSON
SECURITIES COMMISSIONER

By: 
JONATHAN B. WILLIAMS
Assistant Deputy Attorney General