

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

IN THE MATTER OF:

**Carlton Scott Phillips (CRD# 2358429)
and Asset Investment Solutions, LLC
(CRD# 293897),**

Respondents.

CONSENT ORDER

Matter No. 2024736

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, this Consent Order is entered into between the Division and Carlton Scott Phillips (CRD# 2358429) (“Phillips”) and Asset Investment Solutions, LLC (CRD# 293897) (“Asset Investment Solutions”) (collectively, the “Respondents”), in order to resolve the Division’s investigation under Matter No. 2024736 into whether certain conduct violated provisions of the Act.

Without admitting or denying the Findings of Fact and Conclusions of Law set forth below, except as to jurisdiction of the Securities Commissioner over the Respondents and the subject matter of this proceeding, which are admitted, the Respondents, having been advised of their right to counsel, and through retained counsel, expressly consent to the entry of this Consent Order, which resolves the allegations against them set forth herein. The Respondents elect to waive permanently any right to a hearing and appeal under S.C. Code Ann. § 35-1-609 with respect to this Consent Order. The Respondents enter into this Consent Order solely to resolve this matter

and expressly deny any intentional, knowing, negligent, or reckless conduct. Nothing in this Order shall be deemed an admission of liability, fact, or law, nor shall it constitute a waiver of any rights in any other proceeding.

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 during the period between December 12, 2018, and April 12, 2022 (the “Relevant Period”). Except as expressly provided, no finding or conclusion herein shall be deemed to address conduct outside the Relevant Period.

IV. RESPONDENTS

3. Phillips is a resident of South Carolina and is the sole organizer, owner, and registered agent of Asset Investment Solutions. Phillips has been a registered investment adviser representative for Asset Investment Solutions in South Carolina since May 18, 2018.

4. Asset Investment Solutions is a South Carolina limited liability company with a principal place of business in Fort Mill, South Carolina. Asset Investment Solutions has been a registered investment adviser in South Carolina since May 18, 2018, and purports to offer financial planning services and third-party investment adviser recommendations. Phillips is the registered agent for Asset Investment Solutions.

V. OTHER RELEVANT ENTITIES

5. Carolina Oil and Gas Management, LLC (“Carolina Oil and Gas Management”) was a manager-managed Texas limited liability company formed in July 2019 with a principal place of business in Fort Worth, Texas. The original organizer of Carolina Oil and Gas Management was Rustin Brunson (“Brunson”) of Mansfield, Texas, and the original registered agent was Brunson Law, PLLC (“Brunson Law”). At all times relevant, Phillips was the sole manager of Carolina Oil and Gas Management and conducted business for Carolina Oil and Gas Management from Fort Mill, South Carolina.

6. Carolina Oil and Gas Fund, LLC (“Carolina Oil and Gas Fund”) was a manager-managed Texas limited liability company formed July 2019 with its principal place of business in Fort Worth, Texas. The organizer for Carolina Oil and Gas Fund was Brunson, and the original registered agent was Brunson Law. At all times relevant, the manager of Carolina Oil and Gas Fund was Carolina Oil and Gas Management through Phillips, who conducted business for Carolina Oil and Gas Fund from Fort Mill, South Carolina.

VI. FINDINGS OF FACT

7. Heartland Group Ventures, LLC, Heartland Production and Recovery, LLC, and related entities (collectively, “Heartland”) were Texas based companies initially operated by John Muratore and Thomas Brad Pearsey, and later James Ikey and Brunson (collectively, the “Heartland Principals”).

8. Between October 2018 and October 2021, Heartland and the Heartland Principals raised approximately \$122 million from more than 700 investors nationwide. Investor funds were raised through five (5) unregistered securities offerings—three debt funds and two equity funds—

purportedly in oil and gas ventures in Texas (the “Heartland Offerings”).¹

9. Heartland Life Settlements I, LLC, was not part of the Heartland Offerings.

10. The Division acquired actual knowledge of the material facts concerning the Heartland Offerings in December 2021.

11. Heartland and certain Heartland Principals solicited investors through “finders” with whom they had pre-existing relationships (“Finders”). Finders were typically insurance agents or financial advisors and typically earned commissions of up to 8%.

12. Phillips, Asset Investment Solutions, and Carolina Oil and Gas Management were Finders and received commissions during the relevant period.

13. Beginning in early 2019, Heartland and certain Heartland Principals shifted from raising investor funds via Finders to a “feeder fund” model, in which a “feeder fund manager,” typically an insurance agent or financial advisor, and often persons who had previously acted as a Finder, solicited prospective investors through new Texas based corporate entities (“Feeder Funds”) formed for the sole purpose of soliciting investments in Heartland. Heartland provided the Feeder Funds with Heartland private placement memorandums (“PPMs”), which were prepared by Heartland and mirrored the Heartland Offerings, for use with prospective investors.

14. Carolina Oil and Gas Fund, through Phillips, was a Feeder Fund.

15. The Respondents contend Phillips personally traveled to Texas at his own expense to conduct due diligence on the investment, including observing oil drilling operations firsthand.

16. Under Heartland’s feeder fund model, an investor executed investment paperwork

¹The SEC filed a civil complaint against the Heartland entities making various allegations. Phillips was not a party to that action and has no information regarding the truth or falsity of those allegations. *See SEC v. Heartland Grp. Ventures, LLC, et al.*, No. 4:21-cv-01310-O (N.D. Tex. Dec. 1, 2021). *See* <https://www.sec.gov/litigation/complaints/2021/comp25284.pdf>.

with, and gave their fees to, a Feeder Fund. The Feeder Fund then entered into a mirror transaction with Heartland and sent most of the investor funds to Heartland, keeping a portion, up to 15% of investor funds raised, as their commission.

17. Brunson, an attorney licensed to practice law in Texas, assisted in forming the Feeder Funds in Texas.

18. Brunson formed and was the initial registered agent for both Carolina Oil and Gas Fund and Carolina Oil and Gas Management.

19. The Respondents contend Brunson advised Phillips that the offerings were registered with the SEC and otherwise complied with applicable securities laws. The Respondents also maintain Brunson advised Phillips that registration at the state level was not required, and the Respondents contend Phillips relied on this advice when moving forward with the offerings.

20. Heartland Production and Recovery, LLC, filed a Form D notice with the SEC in connection with its offering of Carolina Oil and Gas Fund securities. However, no entity associated with Heartland filed the required state Form D notices with the Division.

21. The Respondents used Carolina Oil and Gas Fund and Carolina Oil and Gas Management as a simple pass-thru for their commissions. Once the Respondents had successfully solicited an investor, investor funds would be deposited into a bank account in the name of Carolina Oil and Gas Fund (the “Carolina Oil and Gas Fund Account”). From the Carolina Oil and Gas Fund Account, a wire or check would be sent to either Heartland Drilling Fund or Heartland Life Settlements for the investment amount minus commissions, with the name of the investor appearing in the memo or reference line.

22. The Respondents retained a commission of 15% for investments in the Heartland Life Settlement Fund and 5% for funds directed to the Heartland Drilling Fund.

23. Phillips also personally invested \$47,250 of his own funds in the Oil and Gas Fund.
24. Phillips allowed his commissions to accrue in the Carolina Oil and Gas Fund Account before making lump sum withdrawals.
25. On April 12, 2022, all funds remaining in the account were transferred to Phillips's personal bank account.
26. The Carolina Oil and Gas Fund Account was subsequently closed.
27. During the Relevant Period, the Respondents solicited investors from North and South Carolina, primarily, and engaged as Feeders and/or Feeder Funds for Heartland.
28. During the Relevant Period, the Respondents received approximately \$134,950 in transaction-based compensation in the form of commissions for referring at least ten (10) investors who collectively invested over \$1.1 million in the Heartland Offerings, including at least three (3) South Carolina investors who collectively invested at least \$378,000 in the Heartland Offerings. Approximately \$44,480 of Phillips' commissions were from South Carolina investors.
29. Approximately \$695,000 of the \$1.1 million invested was directed to the Heartland Life Settlement Fund, generating approximately \$104,250 in commissions. Of that amount, roughly \$30,000 in commissions was derived from investments made by South Carolina residents.

VII. CONCLUSIONS OF LAW

30. Paragraphs 1 through 28 are incorporated by reference as though fully set forth herein.
31. The Heartland Offerings were securities offerings as defined in S.C. Code Ann. §§ 35-1-102(29) and 35-1-102(19).
32. 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 a federal covered security, exempt from

registration, or registered with the Division.

33. Offering or selling a security that is neither registered with the Division nor exempt from such registration is a violation of the Act pursuant to S.C. Code Ann. § 35-1-412(d)(2).

34. The Division concludes the Respondents violated S.C. Code Ann. § 35-1-301 by offering and selling a security that is not a federal covered security, exempt from registration, or registered with the Division.

35. Phillips acted as an agent, as defined by S.C. Code Ann. § 35-1-102(2), in connection with the offer and sale of securities in South Carolina.

36. Pursuant to S.C. Code Ann. § 35-1-402, it is unlawful for an individual to transact business in South Carolina as an agent unless the individual is registered with the Division as an agent or is exempt from registration.

37. The Division concludes Phillips violated S.C. Code Ann. § 35-1-402(a) by transacting business in South Carolina as an agent without being registered with the Division or exempt from registration.

38. Asset Investment Solutions acted as a broker-dealer as defined by § 35-1-102(4) in connection with the offer and sale of securities in South Carolina.

39. Pursuant to S.C. Code Ann. § 35-1-401, it is unlawful to transact business in South Carolina as a broker-dealer unless registered with the Division as a broker-dealer or exempt from registration.

40. The Division concludes Asset Investment Solutions engaged in conduct that violated S.C. Code Ann. § 35-1-401(a) by transacting business in South Carolina as a broker-dealer without being registered with the Division or exempt from registration.

41. The Division concludes the Respondents violated S.C. Code Ann. § 35-1-501 by

failing to disclose that the Heartland Offerings were not registered securities and that they were not registered as a broker-dealer and/or agent authorized to offer or to sell securities in or from South Carolina.

42. The findings of fact and conclusions of law set forth above provide the basis for this Consent Order.

43. This Order is appropriate and in the public interest, pursuant to the Act.

VIII. 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 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;
- b. Each Respondent expressly consents and agrees not to offer or sell securities to, from, or within the State of South Carolina until such securities are properly registered with the Division;
- c. Each Respondent is **CENSURED**;
- d. The Respondents shall jointly and severally pay a civil penalty in the amount of thirty thousand dollars (\$30,000) if this Order becomes effective by operation of law.
- e. Payment of the civil penalty shall be due within 30 days of execution of this Consent Order. In the event the Respondents fail to timely pay, the Securities

Commissioner will, in his discretion, have the ability to pursue further action, including, but not limited to, the relief provided in S.C. Code Ann. § 35-1-604(g). Time for payment may be extended upon written request and approval of the Division.

Upon execution by the Securities Commissioner, this Consent Order resolves Matter Number 2024736 as to the Respondents.


As part of this Consent Order, the Respondents agree that they: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order, or creating the impression that this Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that the Respondents do not admit the allegations of this Consent Order, or that this Consent Order contains no admission of the allegations, without also stating that the Respondents do not deny the allegations. If the Respondents breach the agreement set forth in this paragraph, the Securities Commissioner may vacate this Consent Order. Nothing in this paragraph affects the Respondents': (i) testimonial obligations, or (ii) right to take differing legal or factual positions in litigation or other legal proceedings.

This Consent Order should not be interpreted to waive any (i) private cause of action that may have accrued to investors as a result of the activities detailed herein, or (ii) other causes of action that may result from the activities of a Respondent not detailed in this Consent Order. Nothing in this Consent Order shall preclude the Respondents from asserting in any subsequent proceeding any and all available defenses, including that this Consent Order does not constitute an adjudication or finding of violation, nor shall it preclude the Respondents from denying the allegations for purposes of any other proceeding not initiated by the Division. Further, nothing in

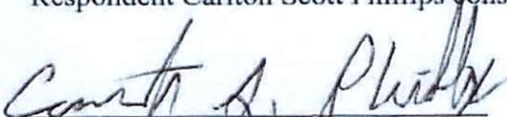
this Order shall be construed as a bar to the Respondents applying for registration or engaging in lawful securities activities in South Carolina in the future, provided they comply with applicable law. This Consent Order addresses only compliance with South Carolina securities laws and shall not be construed to subject the Respondents to disqualification under federal securities laws, rules, or regulations.

[signature page to follow]

ENTERED this 29 day of December, 2025.


ALAN WILSON
Securities Commissioner
State of South Carolina

Respondent Carlton Scott Phillips consents to the terms of the above Consent Order:


Carlton Scott Phillips

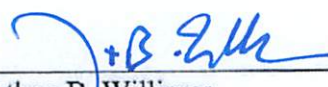
Date: 12-22-2025

Respondent Asset Investment Solutions, LLC consents to the terms of the above Consent Order:

By: 
Carlton Scott Phillips, Agent and Principal

Date: 12-22-2025

The Securities Division of the Office of the South Carolina Attorney General consents to the above Consent Order:

By: 
Jonathan B. Williams
Assistant Deputy Attorney General

Date: 12/22/2025