ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	
	)	**ORDER TO CEASE AND DESIST**
Randy Wright	)	
	)	
and	)	
	)	**File No. 07016**
Melissa Wright Realty Investments, LLC,	)	
	)	
Respondents.	)	
	)	

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. 2005), on or about April 20, 2007, received information regarding alleged activities of Randy Wright ("Wright") and Melissa Wright Realty Investments, LLC ("MWRI") which could constitute violations of the Act;

WHEREAS, the information led the Division to open and conduct an investigation of Wright and MWRI (collectively, the "Respondents") pursuant to S.C. Code Ann. § 35-1-602, and this investigation is ongoing;

NOW THEREFORE, in connection with the investigation, the Division determined that the Respondents have engaged, are engaging, and are about to engage in acts or practices constituting violations of the Act and hereby includes in this Order to Cease and Desist ("Order") a statement of the reasons for the Order, a statement of the civil penalty sought as a result, and a notice that a hearing will be scheduled if either Respondent requests a hearing.

FACTUAL HISTORY

1. MWRI was registered with the South Carolina Secretary of State as a domestic limited liability company on July 7, 2005.

2. MWRI's website (www.carolinacoasthomebuyers.com) (the "MWRI website") during the time period relevant herein shows the company's mailing address to be P.O. Box 115, Little River, South Carolina 29566.

3. MWRI's registered agent is Randy Wright.

4. Wright is the manager and control person of MWRI.

5. Wright's address during the time period relevant herein was 3780 Charles Place, Little River, South Carolina 29566.

The Offer to the LRs

6. During 2006, MWRI ran advertisements in the Myrtle Beach Sun News seeking investors.

7. As a result of newspaper advertisements, South Carolina residents LR and GR (collectively, the "LRs") contacted MWRI to learn more about the company's offering.

8. Following conversations with the LRs regarding their interest in real estate investments, Wright responded by developing an agreement with the LRs whereby Wright and MWRI would use the LRs money to invest in For Sale By Owner ("FSBO") properties for profit.

9. The LRs understanding was that MWRI was to make all decisions regarding which properties to purchase for renovation and resale.

10. The LRs received offering materials from MWRI that promised a 100% return of the LRs original investment amount in four months, and future 100% returns thereafter at three to four month intervals.

11. Respondents represented that after the first 100% return of the LRs investment amount, future 100% returns would continue every three to four months until such time as

MWRI elected not to continue rolling over the investment and returned the original investment.

12. In soliciting funds from the LRs, Wright, acting on behalf of himself and MWRI, represented that Respondents had significant experience in successfully buying, renovating, and reselling properties for profit.

13. In soliciting funds from the LRs, Wright and MWRI did not indicate the LRs needed to do anything to participate except provide money.

14. Based on Wright's and MWRI's representations, on or about May 29, 2006, the LRs invested twenty thousand dollars ($20,000) with the Respondents.

15. At the time of their investment, the LRs received a written agreement (the "Agreement") from Wright and MWRI.

16. Pursuant to the Agreement, MWRI was to have sole discretion in deciding where and in what manner the LRs' investment funds would be utilized to maximize MWRI's earnings opportunities.

17. The Agreement represented that MWRI derived savings in the acquisition and renovation work involved with reselling FSBO properties by using "Service Partners" to complete the work.

18. MWRI and Wright misrepresented material facts to the LRs prior to and at the time of the LRs investment.

19. Contrary to MWRI's and Wright's representations to the LRs, at the time of the offer and sale of the investment to the LRs, Wright and MWRI did not have any "teams of Service Partners" in place to help them with the acquisition and renovation of FSBO properties for profit.

20. Contrary to MWRI's and Wright's representations to the LRs, Wright and MWRI did not purchase FSBO properties with the LRs funds.

21. Contrary to MWRI's and Wright's representations to the LRs, at the time of the

LRs investment, Respondents had previously purchased only one investment property, rather than the many they indicated to the LRs.

22. Pursuant to the Agreement, in exchange for the LRs' investment with Respondents, Respondents agreed to pay a sum of $20,000 to the LRs on the following dates:

a. September 28, 2006;

b. January 14, 2007;

c. April 14, 2007; and

d. July 14, 2007.

23. Pursuant to the Agreement, Wright personally guaranteed that the original twenty thousand dollar ($20,000) investment would be returned to the LRs at such time as the parties agreed that the investment would not be rolled into the next investment rollover period.

24. To date, the LRs have received no return on their investment.

25. To date, the LRs' original investment of twenty thousand dollars ($20,000) has not been returned to them.

The Internet Solicitations

26. During the period in or around April 23, 2007, up to and including August 29, 2007, Respondents represented on the MWRI website that investors could earn 10% to 15% on money invested in mortgages "secured by prime coastal Carolina real estate, without risking any of the principal."

27. The MWRI website further guarantees investors "[you will] still have access to your money in the event you need it in an emergency."

28. The MWRI website represents that MWRI locates properties to buy and then borrows money from investors to purchase and fix up the properties.

29. MWRI represents that after purchase MWRI manages the properties, including finding suitable tenants and/or buyers for the properties.

30. MWRI represents that it will pay investors 10% to 15% interest on funds they invest.

31. MWRI represents that no effort is required on the part of the investors to receive the 10% to 15% return.

32. MWRI represents that persons who lend money to MWRI can exit the program at any time with no penalty.

33. MWRI represents that there is no risk involved with lending money for the purchase, renovation, and sale of real estate.

Other Relevant Facts

34. On August 17, 2007, a subpoena was issued to Wright requiring him to appear on August 29, 2007, and testify concerning the activities of MWRI and Wright.

35. Wright complied with the subpoena by appearing on August 29, 2007, and testifying under oath regarding the activities under investigation.

36. According to Wright's testimony, as of August 29, 2007, Wright and MWRI had no experience investing in mortgages secured by "prime coastal Carolina real estate."

37. According to Wright's testimony, as of August 29, 2007, Wright and MWRI had no experience securing or reinvesting investor funds without risking any of the principal.

38. According to Wright's testimony, as of August 29, 2007, MWRI had not rented or sold any properties either under the program advertised to the LRs or under the program offered on the Internet and had not returned any principal or interest to any lenders or investors.

39. During Wright's testimony, he asserted that the security being offered and sold to the LRs was exempt from registration due to the fact that there had not been twenty-five purchasers in a single year.

40. The investments offered and sold by Respondents were passive, in that the investors were not required or expected to locate, purchase, rehabilitate, or find purchasers or renters for

any property, manage their funds, or perform duties other than placing their money with the Respondents.

41. The investments offered by Respondents are not now and during the time period of their offering in and from South Carolina were not registered for sale in or from the State of South Carolina.

42. MWRI's website and newspaper advertisements constitute general solicitations, thereby eliminating any provision for an exemption from registration for fewer than twenty-five sales of a security in any twelve consecutive months.

43. Respondents are not now and during the time period of the offerings described above were not licensed to sell securities in or from the State of South Carolina.

APPLICABLE LAW

44. Pursuant to S.C. Code Ann. § 35-1-703, the Act took effect on January 1, 2006.

45. Pursuant to S.C. Code Ann. § 35-1-102(29), when used in the Act the term "security" means any note; stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; investment contract; or other item listed in S. C. Code Ann. § 35-1-102(29).

46. 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 (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under Sections 35-1-201 through 35-1-203; or (3) the security is registered under the Act.

47. Pursuant to S.C. Code Ann. § 35-1-202(14), a sale or an offer to sell securities made by or on behalf of an issuer may be exempt from registration in this State if the transaction is part of a single issue in which:

(A) Not more than twenty-five purchasers are present in this State during any twelve consecutive months, excluding purchasers exempt by S. C. Code Ann. § 35-1-202(13);

(B) A general solicitation or general advertising is not made in connection with the offer to sell or sale of the securities;

(C) A commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered pursuant to the Act or an agent registered pursuant to the Act for soliciting a prospective purchaser in this State; and

(D) The issuer reasonably believes that all the purchasers in this State, other than those designated in S. C. Code Ann. § 35-1-202(13), are purchasing for investment.

48. Pursuant to S.C. Code Ann. § 35-1-401(a), it is unlawful for a person to transact business in this State as a broker-dealer unless the person is registered as a broker-dealer under the Act or exempt from registration as a broker-dealer under the Act.

49. 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 the individual is registered under the Act as an agent or is exempt from registration as an agent under the Act.

50. Pursuant to S.C. Code Ann. § 35-1-503(a), in a civil action or administrative proceeding under the Act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.

51. 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.

52. Pursuant to S.C. Code Ann. § 35-1-602(a)(1), the Securities Commissioner may conduct public or private investigations within or outside the State of South Carolina which the Securities Commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate the Act or a rule adopted or order issued under the Act, or to aid in the enforcement of the Act or in the adoption of rules and forms under the Act.

53. Regarding administrative remedies under the Act:

a. Pursuant to S.C. Code Ann. § 35-1-604(a)(1), if the Securities Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the Securities Commissioner may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with the Act.

b. Pursuant to S.C. Code Ann. § 35-1-604(b), a cease and desist order issued under S.C. Code Ann. § 35-1-604(a)(1) must include a statement of any civil penalty or costs of investigation the Securities Commissioner will seek, a statement of the reasons for the order, and notice about a hearing.

c. Pursuant to S.C. Code Ann. § 35-1-604(d), in a final order, the Securities Commissioner may impose a civil penalty in an amount not to exceed ten thousand dollars ($10,000) for each violation.

d. Pursuant to S.C. Code Ann. § 35-1-604(e), in a final order, the Securities Commissioner may charge the actual cost of an investigation or proceeding for a violation of the Act or a rule adopted or order issued under the Act.

DIVISION'S DETERMINATION

WHEREAS, based on the application of the law to the facts, the Division has determined that Wright and MWRI have engaged, are engaging, and/or are about to

engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act as follows:

I. Concerning the Offer to the LRs

a. On or around May 29, 2006, while in the State of South Carolina, Respondents offered and sold an investment opportunity to South Carolina residents.

b. The investment opportunity offered and sold by Respondents involved an investment of money by the LRs, in a common enterprise, with the expectation of profits, to be derived from the efforts of others.

c. The investment offered constitutes an "investment contract" under South Carolina law.

d. The investment offered also has an evidence of indebtedness associated with it.

e. The investment offered and sold to the LRs is a "security" as defined by S.C. Code Ann. § 35-1-102(29).

f. The security offered by Respondents to the LRs is not now and during the time period of its offering in and from the State of South Carolina was not registered for sale in or from the State of South Carolina.

g. Respondents are not now and during the time period of the offering described above were not registered to offer or sell securities in or from the State of South Carolina.

h. The exemption from registration claimed by the Respondents is not applicable because a general solicitation occurred.

i. Respondents violated S. C. Code Ann. § 35-1-301 when they offered and sold a security in this State which was not registered or exempt pursuant to the Act, or a federal covered security.

j. Respondent Wright violated S. C. Code Ann. § 35-1-402 when he transacted business in this State without first becoming registered as an agent or being exempt from registration.

k. Respondents violated S.C. Code Ann. § 35-1-501 and engaged in securities fraud when they:

1. Falsely represented to the LRs they would use money invested with them by the LRs to purchase FSBO properties;

2. Represented to the LRs they would pay the LRs a 100% profit four months after the LRs invested and other profits of 100% every three to four months thereafter until Respondents elected to cease rolling over the LRs investment and returned an amount equal to the LRs investment back to them;

3. Represented to the LRs they had significant experience successfully purchasing, fixing up, and reselling FSBO homes for profit when they did not have such experience; and

4. Represented to the LRs they had "teams of Service Partners" to assist sellers, buyers, MWRI and investor partners with acquisition and renovation of properties for profit when they did not have such teams.

II. Concerning the Internet Solicitations

a. During the Advertisement Period, while in the State of South Carolina, Respondents offered an investment opportunity to South Carolina residents.

b. The investment offered by Respondents involved an investment of money, in a common enterprise, with the expectation of profits, to be derived from the efforts of others.

c. The investment offered constitutes an "investment contract" under South Carolina law.

d. The investment offered is a "security" as defined by S.C. Code Ann. § 35-1-102(29).

e. The security offered by Respondents is not now and during the time period of its offering in and from the State of South Carolina was not registered for sale in or from the State of South Carolina.

f. Respondents are not now and during the time of the offering described above were not registered to offer or sell securities in or from the State of South Carolina.

g. The exemption from registration claimed by the Respondents is not applicable because a general solicitation occurred.

h. Respondents violated S.C. Code Ann. § 35-1-501 and engaged in securities fraud when they:

1. Represented they use money invested with them to purchase homes for resale or lease when they have not purchased any homes for resale or lease;

2. Represented they would pay 10% to 15% on the money invested when they have not paid 10% or 15% to any investors; and

3. Represented they manage the property when they have not managed any property.

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY **ORDERED** that each Respondent:

a. Cease and desist from offering and/or selling securities in South Carolina, in violation of S.C. Code Ann. § 35-1-301, 35-1-402, and 35-1-501; and

b. Pay a civil penalty in the amount of twenty thousand dollars ($20,000) if this Order becomes effective by operation of law, or, if either 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 by each 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, each 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.

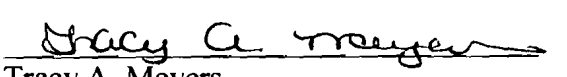
Failure by a Respondent to file a written request for a hearing in this matter within the thirty (30) day period stated above shall be deemed a waiver by that Respondent of his right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this 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 PENALTIES.

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

IT IS SO ORDERED.

This 22nd day of October, 2007



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