

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

IN THE MATTER OF:)	
)	
Willis-Stafford Corporation,)	ORDER TO CEASE AND DESIST
)	File No. 14067
)	
Respondent.)	
<hr/>)	

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 securities-related activities of the Willis-Stafford Corporation (the "Respondent"); 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 Respondent had violated, was violating, or was 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. RESPONDENT

2. The Respondent is a Delaware corporation with a last known address of 6711 Shirley Avenue, Prospect, Kentucky 40059.

III. FINDINGS OF FACT

3. On or about July 15, 2014, the Respondent, in connection with a proposed offering of stock, mailed to the Securities Commissioner a package containing a letter and purported offering documents for a securities offering to be conducted in South Carolina (the "Offering Package"). The Offering Package included an "executive summary," a "business plan," a "subscription agreement," and an "accredited investor questionnaire."
4. According to the Offering Package, the Respondent intends to construct and operate a film sound stage in Williamsburg County, South Carolina and intends to solicit investments from South Carolina residents to fund the project.
5. The Offering Package, as filed with the Division, included both references to filing for registration and also exemptions from registration offered under federal law through 17 C.F.R. Section 230.506 ("Regulation D Rule 506").
6. The Division requested that the Respondent clarify whether it was seeking to register the offering with the State of South Carolina or whether it was seeking to notice file with the State under Regulation D Rule 506.
7. Further, the Division sought clarification that if the Respondent was seeking to notice file under Regulation D Rule 506, which exemption it was claiming; Regulation D Rule 506(b) or (c).

8. The Respondent clarified that they were filing under Regulation D, Rule 506(c) and filed a Form D notice filing indicating Rule 506(c) on February 17, 2015.
9. The Respondent maintains a website at the URL address www.willis-stafford.com which is available to South Carolina residents.
10. The Respondent's website, under the heading of "\$INVEST TODAY!\$" provides the address of 1625 Charleston Highway, Salters, South Carolina 29590.
11. The Respondent's website includes the purported ability to purchase and submit payment for the Respondent's stock.
12. This website constitutes an offer under the Act.
13. The stock offered by the Respondent constitutes a security as that term is defined in the Act.
14. The website allows investors to self-certify whether or not they are an accredited investor.
15. The Respondent's website and the Offering Package represent and imply that upon raising \$7.2 million through the stock offering, the Respondent will receive "an USDA rural development administration's backed guarantee bank loan of \$10.8 million." (sic) (internal quotations omitted).
16. Upon information and belief, no such loan has been approved and there are no disclosures indicating that the loan has not been and may not be approved.
17. The Offering Package and the Respondent's website further indicate that the film sound stage "shall be located on a one-hundred (100) acre plot of land along the Lanes/Andrews hwy in rural Williamsburg County, South Carolina..." (sic).

18. The Offering Package and the Respondent's website include a map indicating the proposed facility's location.
19. The Offering Package includes a land acquisition price of \$3,300 per acre or \$330,000 total.
20. Upon information and belief, Respondent does not own the land identified as the location of the film sound stage or have the property under contract of any type.
21. Neither the Offering Package nor the Respondent's website disclose that the property is not owned by the Respondents, not under contract, or that the land may not be available for acquisition at all.

IV. CONCLUSIONS OF LAW

22. Pursuant to S.C. Code Ann. Section 35-1-505, it is unlawful for a person to make or cause to be made, in a record that is filed under the Act, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect, or, in connection with the statement, to omit to state a material fact necessary to make the statement made, in light of the circumstances under which it was made, not false or misleading.
23. The Respondent, by and through the Offering Package filed with the Division, made one or more false or misleading statements to the Division or omitted to state one or more material facts to the Division necessary to make the statements made, in light of the circumstances under which they were made, not false or misleading in violation of S.C. Code Ann. Section 35-1-505.
24. Pursuant to S.C. Code Ann. Section 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.

25. The Respondent, in connection with the offer or sale of the security at issue, has employed a device, scheme, or artifice to defraud, 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 engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person in violation of S.C. Code Ann. Section 35-1-501.

26. Pursuant to S.C. Code Ann. Section 35-1-301, it is unlawful for a person to offer or sell a security in this State unless the security is a federal covered security, exempt from registration, or registered.

27. Pursuant to Regulation D, issuers must take reasonable steps to verify that purchasers of securities sold in any offering under Rule 506(c) of Regulation D are accredited investors.

28. The Respondent failed to take reasonable steps to verify that the purchasers of securities sold in the present offering are accredited, rendering availability of an exemption under Rule 506(c) of Regulation D unavailable to the Respondent.

29. At no time relevant to the offer and sale of the securities at issue were the securities registered or federal covered and no exemption from registration has been claimed.

V. CEASE AND DESIST ORDER

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

- a. The Respondent and every successor, affiliate, control person, agent, servant, and employee of the Respondent, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondent **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, Sections 301, 501, and 505 thereof; and
- b. The Respondent pay a civil penalty in the amount of \$20,000 if this Order becomes effective by operation of law, or, if the Respondent 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 the Respondent, and the actual cost of the investigation or proceeding.

IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. Section 35-1-604(a)(2) and (3), any exemption from registration with the Division that the Respondent may claim to rely upon under S.C. Code Ann. Sections 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

The Respondent is hereby notified that it has the right to a hearing on the matters contained herein. To schedule such a hearing, the 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 the Respondent requests

a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent, will schedule a hearing.

In its 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 the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, it shall so state.

Failure by the 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 the Respondent of the right to such a hearing. Failure of the 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 the 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 Respondent set forth above.

ENTERED, this the 14th day of July, 2015.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:



JORDAN CRAPPS
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 14067

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated July 17, 2015, 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:

Willis-Stafford Corporation
6711 Shirley Avenue
Prospect, Kentucky 40059

Document(s): Order to Cease and Desist

Mailed July 21, 2015 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
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 21 day of July, 2015.


Notary Public for South Carolina

My commission expires: 7/2/18