

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

**IN THE MATTER OF:** )  
 )  
**Conestoga Trust,** ) **CONSENT ORDER**  
 ) **File No. 15057**  
 )  
**Respondent.** )  

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WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”), after receiving information and pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the “Act”), S.C. Code Ann. § 35-1-101 *et seq.* (Supp. 2012), initiated an investigation into certain activities of Conestoga Trust (“Conestoga” or the “Respondent”); and

WHEREAS, in connection with its investigation, the Division determined certain acts of the Respondent constituted violations of the Act; and

WHEREAS, the Respondent acknowledges its desire to resolve this matter by Consent Order rather than by formal hearing before the Securities Commissioner (the “Commissioner”); and

WHEREAS, the Respondent, without admitting or denying any findings or conclusions that may be set forth in this Consent Order, admits the Securities Commissioner’s jurisdiction in these matters pursuant to S.C. Code Ann. § 35-1-601, and consents to the entry of this Consent Order.

**I. FINDINGS OF FACT**

1. Between on or about December 1, 2011 and on or about December 17, 2013 (the “Relevant Period”), two agents of the Respondent (the “Agents”) began effecting transactions in life settlement contracts in or from this State.

2. The Agents effected at least eight (8) transactions in life settlement contracts during the Relevant Period.
3. The Agents received financial compensation from the Respondent for at least seven (7) of the Agents' transactions during the Relevant Period.
4. During the Relevant Period, the Agents were not registered to effect transactions in securities on behalf of the Respondent nor exempt from registration.

## **II. CONCLUSIONS OF LAW**

5. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, governs the offer and sale of securities in this State.
6. S.C. Code Ann. § 35-1-102(4) defines a "broker-dealer" as a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account.
7. S.C. Code Ann. § 35-1-102(20) defines the term "person" to include, *inter alia*, an individual, a corporation, or any other legal entity.
8. S.C. Code Ann. § 35-1-102(29) defines a "security" to include, *inter alia*, an "investment contract."
9. Pursuant to S.C. Code Ann. § 35-1-402(d), it is unlawful for a broker-dealer to employ or associate with an agent who transacts business in this State on behalf of broker-dealers unless the agent is registered or exempt from registration.

## **III. ORDER**

**WHEREAS**, the Commissioner finds the investor protections and remedies in this Consent Order both appropriate and in the public interest for the protection of the investors and the capital markets of the State of South Carolina;

**NOW, THEREFORE, IT IS HEREBY ORDERED**, and the parties expressly consent and agree that:

- A. The Respondent will immediately cease and desist from engaging in any conduct that constitutes a violation of the Act; and
- B. The Respondent will pay a civil penalty in the amount of thirty thousand dollars (\$30,000) to the Division.

Upon execution by the Commissioner, this Order resolves Administrative Proceeding 15057 as it relates to the Respondent.

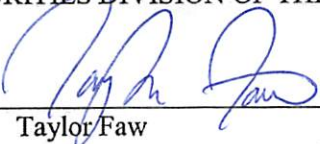
The parties to this Order agree the Order does not and should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to any investor or investors, (iii) action of any kind in any type of bankruptcy proceeding(s), or (iv) other causes of action which may result from any activity of the parties not detailed above or which may hereafter arise.

IT IS SO ORDERED this 23 day of March, 2017.

By: Alan Wilson  
Alan Wilson  
Securities Commissioner  
State of South Carolina


WE CONSENT:

SECURITIES DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL:

By:   
Taylor Faw  
Assistant Attorney General  
Securities Division

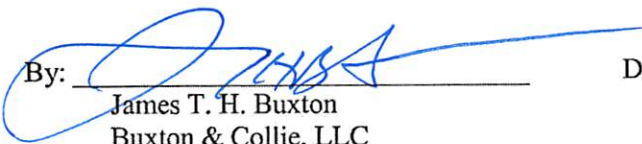
Date: 3/22/17

RESPONDENT CONESTOGA TRUST:

By:   
Hector De Leon  
Legal Representative

Date: 3/14/17

Approved as to form:

By:   
James T. H. Buxton  
Buxton & Collie, LLC  
940 Johnnie Dodds Boulevard, Suite 205  
Mount Pleasant, South Carolina 29464

Date: 3/14/17