

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

IN THE MATTER OF:)	
)	ORDER TO CEASE AND DESIST
Daniel R. Holtzman, Kadee, LLC,)	
and Crossroads Investments, LLC,)	File No. 20162782
)	
<u>Respondents.</u>)	

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005 (the “Act”) and delegated to the Securities Division of the Office of the Attorney General (the “Securities Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Daniel R. Holtzman (“Holtzman”), Kadee, LLC (“Kadee”), and Crossroads Investments, LLC (“Crossroads”) (collectively, the “Respondents”) and in connection with its investigation 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. FINDINGS OF FACT

2. Respondent Holtzman is a South Carolina resident with a last known address of 580 Coneross Park Road, Townville, South Carolina 29689.
3. Respondent Kadee is a South Carolina limited liability company with a last known address of 580 Coneross Park Road, Townville, South Carolina 29689.
4. Respondent Crossroads is a South Carolina limited liability company with a last known address of 5 Chickamauga Lane, Simpsonville, South Carolina 29681.
5. At all times relevant to this Order, Respondent Holtzman was a chief control person of Respondent Kadee and the chief control person of Respondent Crossroads.
6. On or about June 2015, Respondent Holtzman began soliciting an investor (the “Investor”) to invest in Respondent Kadee.
7. In connection with offering the investment opportunity in Respondent Kadee,

Respondent Holtzman stated that the Investor's principal would be secured by real estate and that he would split all profits with the Investor equally.

8. Specifically, Respondent Holtzman stated that he would purchase undeveloped real property, develop and improve the property, and sell it for a profit.
9. In connection with offering the investment opportunity in Respondent Kadee, Respondent Holtzman indicated that he personally would not invest any money but would do all of the work for Respondent Kadee.
10. Based on Respondent Holtzman's representations, in or about June 2015, the Investor invested approximately seventy-seven thousand dollars (\$77,000) with the Respondents.
11. On or about October 7, 2015, Respondent Crossroads purchased two undeveloped lots in Anderson, South Carolina ("Lot 1" and "Lot 2") for a total of five thousand dollars (\$5,000).
12. On or about October 8, 2015, Respondent Crossroads purchased an additional undeveloped lot in Anderson, South Carolina ("Lot 3") for two thousand seven hundred fifty dollars (\$2,750).
13. Respondent Crossroads made no significant improvements to increase the value of Lot 1, Lot 2, or Lot 3.
14. On or about October 19, 2015, Respondent Crossroads sold Lot 1 and Lot 2 to Respondent Kadee for a total of fifty thousand dollars (\$50,000).
15. On or about December 2, 2015, Respondent Crossroads sold Lot 3 to Respondent Kadee for twenty-five thousand dollars (\$25,000).
16. Respondent Kadee bought the three unimproved, distressed lots exclusively with the Investor's money.
17. Respondent Crossroads made a profit of over sixty-seven thousand dollars (\$67,000) from the sales of Lot 1, Lot 2, and Lot 3.
18. To date, there have been no significant improvements or development to Lot 1, Lot 2, or Lot 3.
19. In connection with offering the investment opportunity, Respondent Holtzman omitted to disclose his beneficial interest in Respondent Crossroads as its chief control person.
20. In connection with offering the investment opportunity, Respondent Holtzman failed to disclose a 2014 judgment of \$28,000 payable to American Express.

III. CONCLUSIONS OF LAW

21. The investment opportunities offered and sold by the Respondents constitute securities as defined by the Act. S.C. Code Ann. § 35-1-102(29).
22. The securities offered and sold by Respondents Holtzman and Kadee were offered and sold in violation of S.C. Code Ann. § 35-1-301.
23. In connection with the events above, Respondent Kadee transacted business in this State as an unregistered broker-dealer in violation of S.C. Code Ann. § 35-1-401(a).
24. In connection with the events above, Respondent Holtzman transacted business in this State as an unregistered agent in violation of S.C. Code Ann. § 35-1-402(a).
25. In connection with the events above, Respondent Crossroads employed or associated with an unregistered agent in violation of S.C. Code Ann. § 35-1-402(d).
26. In connection with the events above, Respondent Kadee employed or associated with an unregistered agent in violation of S.C. Code Ann. § 35-1-402(d).
27. In connection with the events above, the Respondents (1) employed a device, scheme, or artifice to defraud; (2) made one or more untrue statements of 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; and (3) engaged in acts, practices, or courses of business that operated as a fraud or deceit upon the Investor, in violation of S.C. Code Ann. § 35-1-501.
28. It is in the public interest, for the protection of investors, and consistent with the purposes of the Act that the Respondents be ordered to cease and desist from engaging in the above-enumerated practices, which constitute violations of the Act, and pay an appropriate civil penalty for their wrongdoing.

IV. CEASE AND DESIST ORDER

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

- a. Respondent Kadee, LLC and every successor, affiliate, control person, agent, servant, and employee of Kadee, LLC and every entity owned, operated, or indirectly or directly controlled by or on behalf of Kadee, LLC **CEASE AND DESIST** from transacting business in this State in violation of the Act;
- b. Respondent Crossroads Investments, LLC and every successor, affiliate, control person,

agent, servant, and employee of Crossroads Investments, LLC and every entity owned, operated, or indirectly or directly controlled by or on behalf of Crossroads Investments, LLC **CEASE AND DESIST** from transacting business in this State in violation of the Act;

- c. Respondent Daniel Holtzman **CEASE AND DESIST** from transacting business in this State in violation of the Act;
- d. Respondent Crossroads Investments, LLC pay a civil penalty in the amount of forty thousand dollars (\$40,000) if this Order becomes effective by operation of law, or, if Crossroads Investments, LLC 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 Crossroads Investments, LLC, and the actual cost of investigation or proceeding;
- e. Respondent Daniel Holtzman pay a civil penalty in the amount of thirty thousand dollars (\$30,000) if this Order becomes effective by operation of law, or, if Holtzman 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 Holtzman, and the actual cost of investigation or proceeding.

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

V. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

Each Respondent is hereby notified that it has 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: Wanda Ealy, within thirty (30) days after the date of service of this Order to Cease and Desist, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent, will schedule the hearing for that Respondent.

In the 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 a Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he 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 by a 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 that Respondent by operation of law.


This Order does not prevent the Division or any 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 Respondents set forth above.

ENTERED, this the 9th day of July, 2018.

ALAN WILSON
Securities Commissioner

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:



TAYLOR FAW
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 20162782

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated July 9, 2018, 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:

Daniel R. Holtzman and Kadee, LLC
c/o J. Calhoun Pruitt, Esq.
101 N Murray Avenue
Anderson, South Carolina 29625

Document(s): Cease and Desist

Mailed July 10, 2018 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: Sandra M. Matthews
Sandra M. Matthews
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-3300

Subscribed and sworn to before me on
this 10th day of July, 2018.

Jasper H. Ballington
Notary Public for South Carolina

My commission expires: 6-29-21



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WYOMING

Section 10

WHEREAS, certain lands in the State of Wyoming are owned by the United States and are being offered for sale to the highest bidder; and

WHEREAS, the following lands are being offered for sale to the highest bidder:

Section 10, Township 10N, Range 10E, T10N, R10E, W10A, Wyoming

AND WHEREAS, the following conditions apply to the sale of the above lands:

1. The purchaser shall pay the purchase price in cash or by check payable to the order of the Bureau of Land Management.

