

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

IN THE MATTER OF:)	
)	CEASE AND DESIST ORDER
Todd Allen van Natta (a/k/a Todd Allen,)	
a/k/a Todd Vannatta) and Channel)	File No. 2018196
Remarketing, LLC (f/k/a Brokers)	
Exchange, LLC),)	
<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 “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Todd Allen van Natta (“van Natta”) and Channel Remarketing, LLC (f/k/a/ Brokers Exchange, LLC) (“Brokers Exchange”) (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 van Natta is a South Carolina resident with a last known address of 10 Sandcrab Court, Isle of Palms, South Carolina 29451.
3. Respondent Channel Remarketing, LLC is a South Carolina company with a last known address of 3319 Biedler Street, Building 101, North Charleston, South Carolina 29418. Respondent Channel Remarketing was formerly known as “Brokers Exchange, LLC” and, for purposes of this order is referred to as “Brokers Exchange,” which is the name of the entity as investors knew it at the time of their investments with the Respondents.
4. During the period mid-2016 to the fall of 2017, at least 12 investors invested money with the Respondents in the Respondents’ warehouse and shoe-selling scheme. Put simply, the Respondents were to purchase large quantities of name brand shoes at close-out, and then resell the shoes for a profit, a portion of which was to go to the investors.
5. Profits made on the sale of shoes were to be split among investors, resulting in a commonality in the venture.

6. As investments were made in the scheme, investor funds were deposited into a bank account in the name of Brokers Exchange.
7. Thereafter, large amounts of funds, many of which were comprised in whole or in part of investor monies, were transferred out of the account for reasons unrelated to the purchase of shoes or any other investment purpose for which the monies were given.
8. At the time of the investments above, van Natta had a criminal history and was currently on probation. Further, at the time of the investments above, van Natta was subject to a restitution order originally in the amount of nine hundred thousand dollars (\$900,000).
9. Van Natta failed to disclose the material facts above to investors prior to their investment in his and Brokers Exchange's scheme.
10. During the relevant time period herein, neither van Natta nor Brokers Exchange was registered in any capacity with the Division, and no exemption from registration has been claimed.
11. During the relevant time period herein, the securities at issue were not registered with the Division or federal covered securities, and no exemption from registration has been claimed.

III. CONCLUSIONS OF LAW

12. 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.
13. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts constitute securities, and an investment contract includes an investment of money in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor.
14. 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 that security is a federal covered security, exempt from registration, or registered.
15. The investment opportunities offered and sold by the Respondents constitute securities.
16. The securities offered and sold by the Respondents were offered and sold in violation of S.C. Code Ann. § 35-1-301.
17. In connection with the events above, Brokers Exchange and van Natta transacted business in this State as an unregistered broker-dealer and agent, in violation of S.C. Code Ann. § 35-1-401(a) and S.C. Code Ann. § 35-1-402(a).

18. 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.

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 Channel Remarketing, LLC (f/k/a Brokers Exchange, LLC) and every successor, affiliate, control person, agent, servant, and employee of this Respondent and every entity owned, operated, or indirectly or directly controlled by or on behalf of this Respondent **CEASE AND DESIST** from transacting business in this State in violation of the Act; and
- b. Respondent Channel Remarketing, LLC (f/k/a Brokers Exchange, LLC) is permanently barred from participating in any aspect of the securities industry in or from the State of South Carolina; and
- c. Respondent Todd Allen van Natta and every agent, servant, and employee of this Respondent and every entity owned, operated, or indirectly or directly controlled by or on behalf of this Respondent **CEASE AND DESIST** from transacting business in this State in violation of the Act; and
- d. Respondent Todd Allen van Natta is permanently barred from participating in any aspect of the securities industry in or from the State of South Carolina.

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 either Respondent 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

Respondents are hereby notified that they have the right to a formal hearing on the matters contained herein. To schedule a formal hearing, a Respondent must file a written Answer specifically requesting a hearing with the Securities Division within thirty (30) days after the date of service of this Order to Cease and Desist. The written Answer must be addressed to:

The Securities Division of the Office of the South Carolina Attorney General
Attn: Wanda Ealy
Post Office Box 11549

Columbia, South Carolina 29211-1549

If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a written request, will schedule the hearing for that Respondent.


In the written Answer, a Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which that Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which that Respondent relies. If a Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he or she 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 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 any Respondent set forth above.

ENTERED, this the 26th day of September, 2018.

ALAN WILSON
SECURITIES COMMISSIONER

By: 
TRACY A. MEYERS
Deputy Securities Commissioner
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 2018196

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated September 26, 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:

Todd Allen van Natta (a/k/a Todd Allen, a/k/a Todd Vannatta)
10 Sandcrab Court
Isle of Palms, SC 29451

Document(s): Order to Cease and Desist

Mailed September 26, 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: Wanda Ealy
Wanda Ealy
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 26th day of September, 2018.

Susan H. Ballinger
Notary Public for South Carolina

My commission expires: 6/29/21

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

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3319 Biedler Street, Building 101
North Charleston, SC 29418

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By: Wanda Ealy
Wanda Ealy
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 26th day of September, 2018.

Josiah H. Ballington
Notary Public for South Carolina

My commission expires: 6/29/21