

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

<b>IN THE MATTER OF:</b>	)	
	)	<b>ORDER TO CEASE AND DESIST</b>
<b>Wendell Freeman, a/k/a the Apostle of</b>	)	<b>File No. 12079</b>
<b>the Reconciliation Ministry,</b>	)	
	)	
<b>Respondent.</b>	)	
<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 alleged activities of Wendell Freeman, a/k/a the Apostle of the Reconciliation Ministry ("Freeman" or the "Respondent"), which, if true, would constitute violations of the Act; and

**WHEREAS**, the information led the Division to open and conduct an investigation of the Respondent pursuant to S.C. Code Ann. § 35-1-602; and

**WHEREAS**, 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. Wendell Freeman is a resident of Richland County, South Carolina, with a last known address of 116 Laurent Way, Irmo, South Carolina 29063.

## **III. FINDINGS OF FACT**

3. The Respondent, the self-styled “Apostle of the Reconciliation Ministry,” operates or has operated a church known as the “Reconciliation Ministry” in the Columbia, South Carolina area.

4. The Respondent has, on at least two occasions, employed a scheme to enrich himself under the guise of soliciting financial investments from South Carolina residents (the “Scheme”).

Investor A

5. Investor A is a resident of Richland County, South Carolina.

6. Investor A became acquainted with the Respondent through the Respondent’s son.

7. The Respondent approached Investor A with the opportunity to realize an above-market rate of return on an investment opportunity in the Scheme.

8. The Respondent alleged that he possessed “power of attorney” over an individual who was in the process of a lawsuit against the State of South Carolina (the “Lawsuit”).

9. The Respondent alleged that he required additional funds to continue the Lawsuit, in Investor A’s case, five thousand dollars (\$5,000), to pay “fees to the State.”

10. The Respondent further stated that he needed Investor A's money quickly and that he would be able to return an additional five thousand dollars (\$5,000) in profits to Investor A within seven to ten (7 to 10) days.

11. Investor A eventually invested four thousand dollars (\$4,000) with the Respondent, and received a promissory note from the Respondent evidencing his investment.

12. However, the Scheme was merely a fabrication designed in order for the Respondent to obtain large sums of money.

13. Following his investment in the Scheme, neither Investor A's investment, nor his promised profits were returned to him.

#### Investor B

14. Investor B is a resident of Richland County, South Carolina.

15. Following her retirement in 2011, Investor B determined that her retirement income was insufficient, and sought alternative investments in order to supplement her income.

16. The Respondent was introduced to Investor B and presented her with the opportunity to invest in the Scheme.

17. The Respondent, using statements similar to those he employed on Investor A, described the Scheme to Investor B, stating that the Respondent possessed the "power of attorney" over a man who had been unjustly incarcerated by the State and would soon receive a ninety-seven million dollar (\$97,000,000) judgment in the Lawsuit.

18. The Respondent explained that he needed money in order to pay various expenses related to the Lawsuit, including, but not limited to, having to “pay back taxes on the case,” “to file court documents,” and to “pay the judge.”

19. In exchange for her investment in the Scheme, the Respondent promised Investor B above-market returns on her investment in the Scheme.

20. Between July and September of 2011, Investor B invested a total of one hundred and twenty-three thousand dollars (\$123,000) in cash with the Respondent.

21. The Respondent provided various “Promissory Notes” and “Financial Agreements,” which were signed by the Respondent and Investor B and evidenced her investment in the Scheme.

22. Rather than the promised return on her investment, the Respondent periodically returned only small amounts of money to Investor B.

23. When Investor B requested the return of her investment, the Respondent explained that the Lawsuit was being held up by a “gag order,” and he could not return her investment or provide her with the promised profits.

24. In 2012, Investor B approached the Respondent at his office and again requested the return of her investment. The Respondent replied by threatening Investor B and telling her never to return to his property.

25. As in the case of Investor A, the Scheme was a fabrication employed by the Respondent to ensnare Investor B into providing the Respondent with large sums of money.

26. To date, the Respondent has not returned Investor B’s investment.

#### **IV. CONCLUSIONS OF LAW**

27. 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.

28. Pursuant to S.C. Code Ann. § 35-1-102(29), promissory notes, investment contracts, and certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.

29. 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 registered, a federal covered security, or exempt from registration.

30. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection with the offer or sale of a security in this State: (1) to employ a scheme, device, or artifice to defraud; (2) to make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances in 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.

31. 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.

32. Pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under § 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation sought, a statement of the reasons for the order, and notice that, within fifteen (15) days after the receipt of a request in a record from a Respondent, the matter will be scheduled for a hearing.

33. The investment opportunities offered and sold by the Respondent constitute securities as defined by the Act.

34. The investment opportunities offered and sold by the Respondent were neither federal covered securities, exempt from registration, nor registered with the United States Securities and Exchange Commission or the Division and were therefore sold in violation of the Act.

35. The Respondent sold securities in this State: (1) while employing a scheme, device, or artifice to defraud; (2) through the making of untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and (3) by engaging in an act, practice, or course of business that operated as a fraud or deceit upon another person.

36. It is in the public interest, for the protection of investors, and consistent with the purposes of the Act that the Respondent 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 his wrongdoing.

## V. CEASE AND DESIST ORDER

**NOW THEREFORE**, pursuant to S.C. Code Ann. § 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, § 35-1-301 and § 35-1-501 thereof; and
- b. The Respondent pay a civil penalty in the amount of Forty Thousand Dollars (\$40,000) 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 Ten Thousand Dollars (\$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. § 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. §§ 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 he 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 the hearing for the 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 the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he 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.



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  
PURSUANT TO S.C. CODE ANN. § 35-1-508.

ENTERED, this the 21<sup>st</sup> day of July, 2014.

ALAN WILSON  
SECURITIES COMMISSIONER

By: Tracy A. Meyers  
TRACY A. MEYERS  
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:



IAN P. WESCHLER  
Assistant Attorney General  
Securities Division  
Rembert C. Dennis Building  
1000 Assembly Street  
Columbia, S. C. 29201

STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND  
AFFIDAVIT OF COMPLIANCE  
File Number 12079


I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated July 21, 2014, 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:

Wendell Freeman a/k/a/the  
Apostle of the Reconciliation Ministry  
116 Laurent Way  
Irmo, SC 29063

Document(s): Order to Cease and Desist

Mailed July 21, 2014 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, 2014.

  
Notary Public for South Carolina

My commission expires: 3/30/16