

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)	
)	
)	AMENDED ORDER TO
James Christopher "Chris" Alexander,)	CEASE AND DESIST
)	
<u>Respondent.</u>)	File No. 16055

WHEREAS, the Securities Commissioner has authorized and directed the Securities Division (the "Division") 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 securities-related activities of James Christopher "Chris" Alexander ("Alexander" or the "Respondent"); and

WHEREAS, based on the information received, the Division determined it was necessary and appropriate to open an investigation pursuant to S.C. Code Ann. § 35-1-602 to ascertain 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 South Carolina resident with a last known address of 3107 Edwards Road, Taylors, South Carolina 29687.

III. FINDINGS OF FACT

3. In or about November 2015, the Respondent began soliciting two Maryland residents (individually, "Investor A" and "Investor B"; collectively, the "Investors") to invest with the Respondent's fledgling trucking company (the "Trucking Venture").
4. In connection with the offer of the investment opportunity to Investor A, the Respondent made certain representations of material fact, including, but not limited to, the following:

- a. Investor A's investment would be used to fund the Trucking Venture's advertising efforts;
 - b. In addition to a full return of principal, Investor A could expect to receive thirty percent (30%) of the Trucking Venture's fees generated by the advertising funded by Investor A's investment; and
 - c. Investor A could expect an additional return of between twenty-two thousand dollars (\$22,000) and twenty-five thousand dollars (\$25,000) within two (2) months.
5. To entice Investor A to invest quickly, the Respondent stated that if Investor A invested by November 23, 2015, Investor A would also receive a five-percent (5%) ownership stake in the Trucking Venture.
6. Based on the Respondent's representations, Investor A invested two thousand seven hundred dollars (\$2,700) with the Respondent on or about November 23, 2015, and a further four thousand six hundred twenty dollars (\$4,620) on or about November 27, 2015.
7. Contrary to the Respondent's representations, the Respondent did not substantially use Investor A's investment for advertising efforts.
8. Contrary to the Respondent's representations, Investor A did not receive a five-percent (5%) ownership stake in the Trucking Venture.
9. Contrary to the Respondent's representations, Investor A received neither a return of principal nor any profits.
10. In connection with the offer of the investment opportunity to Investor B, the Respondent made certain representations of material fact, including, but not limited to, the following:
 - a. The Respondent would make substantial use of Investor B's investment to fund the Trucking Venture and its activities;
 - b. The Trucking Venture had realized profits of over fifty thousand dollars (\$50,000) in September 2015;
 - c. Investor B could expect a return of principal on or before January 23, 2016; and
 - d. Investor B could expect a minimum return of five thousand two hundred fifty dollars (\$5,250) within five (5) months of investing.
11. To entice Investor B to invest quickly, the Respondent stated that if Investor B invested

- by November 25, 2015, Investor B would receive an additional ten-thousand-dollar (\$10,000) return and five percent (5%) of all fees generated by the Trucking Venture.
12. Based on the Respondent's representations, Investor B invested twenty-four thousand eight hundred fifty-six dollars (\$24,856) with the Respondent on or about December 3, 2015.
 13. Contrary to the Respondent's representations, the Respondent did not substantially use Investor B's investment to fund the Trucking Venture or its activities.
 14. Contrary to the Respondent's representations, Investor B received neither a return of principal nor any profits.
 15. In connection with the offer of the investment opportunity to the Investors, the Respondent omitted to disclose certain material facts, including, but not limited to, the following:
 - a. On or about July 7, 2014, the Respondent was convicted of misdemeanor possession of cocaine and was sentenced to three (3) years' probation;
 - b. On or about August 11, 2015, the Respondent was arrested and charged with felony possession of cocaine;
 - c. During the Respondent's solicitations, the Respondent had an unsatisfied tax lien with the State of South Carolina in the approximate amount of four thousand four hundred dollars (\$4,400);
 - d. During the Respondent's solicitations, the Respondent had an additional unsatisfied tax lien with the State of South Carolina in the approximate amount of three thousand six hundred dollars (\$3,600); and
 - e. During the Respondent's solicitations, the Respondent had an unsatisfied federal tax lien in the approximate amount of eight thousand five hundred dollars (\$8,500).
 16. At no time relevant to the events stated herein was the Respondent registered with the Division as a broker-dealer, and no exemption from registration has been claimed by the Respondent.
 17. At no time relevant to the events stated herein were the securities at issue registered with the Division or federal covered securities, and no exemption from registration has been claimed by the Respondent.

IV. CONCLUSIONS OF LAW

18. 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.
19. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts, stock, and bonds, *inter alia*, constitute securities.
20. 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.
21. Pursuant to S.C. Code Ann. § 35-1-102(4), a “broker-dealer” is a person who effects transactions in securities for the account of others or for the person’s own account.
22. Pursuant to S.C. Code Ann. § 35-1-401(a), it is unlawful for an individual to transact business in this State as a broker-dealer unless that individual is registered or exempt from registration.
23. 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, 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.
24. The securities offered by the Respondent were offered and sold in violation of S.C. Code Ann. § 35-1-301.
25. Respondent Alexander, on at least two occasions, transacted business in this State as an unregistered broker-dealer in violation of S.C. Code Ann. § 35-1-401.
26. The Respondent, on at least two occasions and in connection with the offer of a security, directly or indirectly (1) employed a device, scheme, or artifice to defraud; (2) 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 (3) engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon another person, in violation of S.C. Code Ann. § 35-1-501.
27. 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, pay an appropriate civil penalty for his wrongdoing, and be barred from conducting securities business in this State in the future.

V. CEASE AND DESIST ORDER

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

- a. Respondent James Christopher “Chris” Alexander shall **CEASE AND DESIST** any and all attempts to offer or sell securities in or from the State of South Carolina;
- b. Respondent James Christopher “Chris” Alexander shall pay a civil penalty in the amount of sixty thousand dollars (\$60,000) if this Order becomes effective by operation of law, or, if Alexander 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 Alexander, and the actual cost of investigation or proceeding; and
- c. Respondent James Christopher “Chris” Alexander is **PERMANENTLY BARRED** from participating in any aspect of the securities industry in or from the State of South Carolina beginning on the date of execution of this order.

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 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 **REVOKED**.

This Order amends and supersedes the Order to Cease and Desist issued by the Division on September 19, 2017.

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: Melanie Cain, within thirty (30) days after the date of issuance of this Order to Cease and Desist, a written Answer specifically requesting a hearing. If the Respondent

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

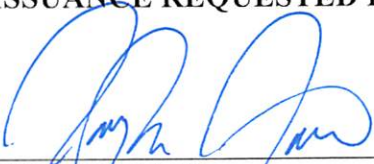
This Order does not prevent the Division, or any other agency, including, without limitation, civil and criminal law enforcement agencies, from seeking additional civil or criminal remedies as are available under the Act or otherwise, including remedies related to the offers and sales of securities by the Respondent set forth above.

ENTERED, this the 22nd day of January, 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 16055

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated January 22, 2018, by filing the original of said document with 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:

Chris Alexander
3107 Edwards Road
Taylors, SC 29687

Document(s): Amended Order to Cease and Desist

Mailed January 22, 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:



Melanie S. Cain
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-6277

Subscribed and sworn to before me on
this 22nd day of January, 2018.


Notary Public for South Carolina

My commission expires: 6/29/21