

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)	
)	ORDER TO CEASE AND DESIST
Venum LTD.,)	
)	
)	File No. 10052
)	
Respondent.)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2012), received information regarding alleged activities of Venum LTD. ("Venum" or "Respondent") which, if true, could constitute violations of the Act; and

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

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings and conclusions:

1. Respondent Venum LTD. is a British Virgin Islands Corporation with an address of P.O. Box 417, 2nd Floor, Abbott Building, Waterfront Drive, Tortola, British Virgin Islands.
2. Venum LTD. has filed a notice of exemption with the Securities and Exchange Commission in accordance with Rule 506 of Regulation D of the Securities Act of 1933.
3. In 2008, 2009, and 2010, Venum LTD. notice filed, pursuant to S.C. Code Regs. 13-308, to sell the above-referenced securities in South Carolina.
4. Venum Inc. is a Canadian corporation with an address of Royal Trust Tower, 31st Floor, 77 King Street West, Toronto, Ontario, Canada, M5K 1G8.

5. Venulum LTD. and Venulum Inc. are both owned and controlled by Mr. Giles Cadman, a resident of the British Virgin Islands, with an address of 4th Floor Rodus Building, P.O. Box 765 Road Reef, Road Town, Tortola, D8, VG1110.
6. Respondent Venulum Inc. acts as securities agent for Venulum LTD (collectively, “Venulum”).
7. Between June 20, 2002 and May 13, 2009, Venulum offered investments to trade in interests in fine wine (“Wine Investment Contracts”) to at least 19 South Carolina residents.
8. In written documents and verbal communications with prospective investors, Venulum emphasized its expertise in the wine industry and invited investors to rely upon that expertise in acquiring, storing, managing, and selling wine.
9. The Wine Investment Contracts offered by Venulum fit the definition of securities, as defined by the Act.
10. Venulum raised approximately two million, five-hundred thousand dollars (\$2,500,000) from the sale of Wine Investment Contracts to at least 19 South Carolina residents during the relevant period.
11. Venulum marketed the Wine Investment Contracts to South Carolina residents via unsolicited phone calls.
12. The unsolicited phone calls employed by Venulum to sell the Wine Investment Contracts constitute a “general solicitation” under Rule 502 of Regulation D.
13. Pursuant to Rule 506 of Regulation D, securities and offered and sold through general solicitation are not eligible to qualify as federal covered securities.
14. Article 3 of the Act governs the registration of securities and notice filing of federal covered securities.
15. Pursuant to S.C. Code § 35-1-301 it is unlawful for a person to offer or sell a security in this State unless: (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under Sections 35-1-201 through 35-1-203 of the Act; or (3) the security is registered pursuant to the Act.

16. With the exception of its Regulation D notice filing, Venulum took no other measures to register or claim exemption from registration its securities offerings under the Act.
17. Respondent has offered for sale and/or sold securities in the State of South Carolina.
18. Respondent has acted as an issuer in connection with the offer and/or sale of such securities in South Carolina.
19. The securities Respondent offered and sold in South Carolina have not been registered for sale in South Carolina.
20. A Regulation D exemption was not available to Venulum during the period claimed.
21. The Respondent has engaged, is engaging, and/or is about to engage in acts and practices which violate S.C. Code Ann. §§ 35-1-301.
22. After due deliberation, the Division finds that it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to seek the following remedy:

CEASE AND DESIST ORDER

WHEREAS, 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; and

WHEREAS, pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under Section 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation the Division will seek, a statement of the reasons for the order, and notice that a hearing will be scheduled if one is requested;

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that Respondent and every successor, affiliate, control person, agent, servant, and employee of Respondent, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondent:

- a. Immediately cease and desist from transacting business in this State in violation of the Act, and in particular, S.C. Code Ann. § 35-1-301 thereof; and
- b. Pay a civil penalty of Fifty Thousand Dollars (\$50,000) if this Order becomes effective by operation of law, or, if Respondent seeks a hearing and a hearing officer or any other legal authority resolves the matter, pay a civil penalty in an amount not to exceed Ten Thousand Dollars (\$10,000) for each violation of the Act by Respondent and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND
NOTICE OF OPPORTUNITY FOR HEARING

Respondent is hereby notified that it has the right to a hearing on the matters contained herein. To schedule such a hearing, 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 a written Answer specifically requesting a hearing.

In the written Answer, Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Notice of Intent, shall set forth specific facts on which Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which Respondent relies. Respondent shall state if it is without knowledge or information sufficient to form a belief as to the truth of an allegation.

Failure by 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 Respondent of the right to such a hearing. Failure

of Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty and assessed fees, becoming final as to Respondent by operation of law.

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 UNDER S.C. CODE ANN. § 35-1-508 OF THE ACT.

IT IS SO ORDERED, this the 30th day of August, 2013.

By: Tracy Meyers
Tracy A. Meyers
Assistant Deputy Attorney General
Rembert C. Dennis Building
1000 Assembly Street
Columbia, S. C. 29201

(803) 734-4731

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 10052

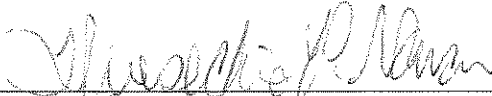
I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated August 30, 2013, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Venulum, Ltd.
c/o Lindsey W. Cooper, Jr, Esq.
36 Broad Street
Charleston, SC 29401

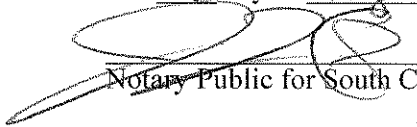
Document(s): Order to Cease and Desist

Mailed August 30, 2013 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 30 day of August, 2013.


Notary Public for South Carolina

My commission expires: 7/2/18