

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

IN THE MATTER OF:)	
)	
EIX Acquisition Company, Corp.,)	CONSENT ORDER
EIX Capital Management Corp., and)	Matter No. 20211245
Elijah' Isaiah X,)	
)	
Respondents.)	
_____)	

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, and the regulations and rules promulgated thereunder (the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of EIX Acquisition Company, Corp. (“EIX Acquisition”), EIX Capital Management Corp. (“EIX Capital”), and Elijah' Isaiah X (“Isaiah”) (collectively, the “Respondents”). In connection with its investigation, the Division has determined that the Respondents violated the Act.

Without admitting or denying the Findings of Fact and Conclusions of Law set forth below, except as to the jurisdiction of the Securities Commissioner over the Respondents and the subject matter of this proceeding, which are admitted, the Respondents, having been advised of their right to counsel, expressly consent to the entry of this Consent Order, which resolves the allegations against them set forth herein. The Respondents elect to waive permanently any right to a hearing and appeal under S.C. Code Ann. § 35-1-609, with respect to this Consent Order.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. RELEVANT PERIOD

2. Except as otherwise expressly stated, the conduct described herein occurred during the period of January 1, 2017 to December 31, 2021 (the “Relevant Period”).

IV. RESPONDENTS

3. EIX Acquisition was a South Carolina Corporation founded by Isaiah on March 30, 2017. EIX Acquisition was administratively dissolved on July 18, 2019. The last known address for EIX Acquisition was 113 Wanda Ave, Summerville, South Carolina 29485.

4. EIX Capital is a Delaware Corporation incorporated on September 20, 2018. The last known address for EIX Capital was 4000 Faber Place Drive Suite 300, Charleston, South Carolina 29405.

5. Isaiah is a resident of South Carolina.

V. FINDINGS OF FACT

i. EIX Acquisition Investment Opportunity

6. In or around November 2017, Isaiah held himself out to a South Carolina resident (“SC Investor”) as the owner and chief executive officer of EIX Acquisition.

7. Isaiah represented to SC Investor that EIX Acquisition was preparing to issue a public offering on the New York Stock Exchange (the “NYSE”).

8. On or around November 22, 2017, Isaiah provided SC Investor with an EIX Acquisition Confidential Private Placement Memorandum (the “PPM”).

9. According to the PPM, EIX Acquisition:

- a. was founded in 2009 by Isaiah;
- b. had a staff of 1,250 employees operating in the sectors of real estate, transportation, hospitality, healthcare, construction, retail, media, financial, and manufacturing;
- c. was initially capitalized by Isaiah's investment of \$250,000.00; and
- d. projected a profit of \$10,000,000.00 for the 2017 year.

10. Furthermore, the PPM disclosed that EIX Acquisition was only offering shares of its common stock through a private placement offering to accredited investors pursuant to Rule 506 of Regulation D of the Securities Act of 1933.

11. The PPM specifically disclosed that SC Investor's investment would "focus on the [t]ransportation industry" and that the "investment of \$25.000 [sic] will yield [SC Investor] 10% ownership."

12. The PPM also disclosed that "the Offering is being made on an 'all or none' basis until the Minimum Offering Amount of \$500,000.00 is raised. Proceeds received prior to raising the Minimum Offering Amount will be held in an escrow account with the Company's bank."

13. SC Investor relied on Isaiah's representations in order to purchase shares of EIX Acquisition common stock prior to the supposed NYSE public listing.

14. On or around December 5, 2017, SC Investor signed an agreement granting SC Investor 25,000 shares of EIX Acquisition's common stock resulting in a 10% ownership interest.

15. On December 5, 2017, there was a transfer of \$25,000 from SC Investor's self-directed IRA account to EIX Acquisition's business checking bank account for the purchase of 25,000 shares of EIX Acquisition's common stock.

ii. EIX Capital

16. On September 19, 2018, Isaiah stated to SC Investor via email that EIX Acquisition will then be known as EIX Capital and that all "[p]rior agreements will be honored under the new operation." Furthermore, Isaiah represented that SC Investor's "investment has been tagged to the two land development[s] in Montgomery, GA and a pending acquisition in CA."

17. Isaiah provided SC Investor a copy of a "Business Plan" dated August 28, 2018, for EIX Capital that stated the company was a "real estate investment company" that opened in 2009 and had already acquired "\$5 million in financial assets."

18. In fact, EIX Capital had been incorporated on September 20, 2018, and had not acquired \$5 million in financial assets.

iii. Misappropriation of SC Investor's Funds

19. Once SC Investor's funds were deposited into EIX Acquisition's business checking bank account on December 5, 2017, Isaiah began transferring the funds to his different business and personal accounts.

20. From December 5, 2017, through February 12, 2018, Isaiah misappropriated SC Investor's funds by spending SC Investor's money on groceries, meals at restaurants, home rental payments, retail purchases, and other personal expenses.

21. Furthermore, SC Investor's investment was not honored by EIX Capital and not allocated to land development projects as represented by Isaiah in email communications. In

reality, the Respondents had already misappropriated SC Investor's funds prior to the formation of EIX Capital.

22. There is no evidence of the funds ever going to support the business operations of EIX Acquisition or EIX Capital.

iv. Misrepresentations regarding the EIX Acquisition Investment

23. In the offer and sale of the EIX Acquisition common stock shares, Isaiah made material misrepresentations regarding EIX Acquisition and the EIX Acquisition investment offering.

24. Contrary to the PPM:

- a. EIX Acquisition was founded on March 30, 2017 and not in 2009;
- b. EIX Acquisition did not have a staff of 1,250 employees; and
- c. EIX Acquisition was not initially capitalized by Isaiah's investment of \$250,000.00.

25. In reality, EIX Acquisition had no actual business operations.

26. Contrary to the PPM, the EIX Acquisition investment offering was never filed pursuant to Rule 506 of Regulation D of the Securities Act of 1933. Furthermore, the PPM established that the offering was only for accredited investors; however, EIX Acquisition sold shares of EIX Acquisition common stock to SC Investor, a non-accredited investor.

27. Contrary to the PPM, proceeds of the offering received prior to raising the minimum offering amount of \$500,000.00 were not held in an escrow account. In fact, the funds were immediately deposited into EIX Acquisition's business checking bank account and thereby misappropriated.

V. CONCLUSIONS OF LAW

28. Paragraphs 1 through 27 are incorporated by reference as though fully set forth herein.

29. The EIX Acquisition common stock is a security as defined in S.C. Code Ann. § 35-1-102(29).

30. The EIX Acquisition common stock was and is required to be registered with the Division pursuant to S.C. Code Ann. § 35-1-301.

31. The EIX Acquisition common stock has not been registered with the Division, is not exempt from registration, and is not a federally covered security.

32. The Respondents offered and sold an unregistered security in violation of S.C. Code Ann. § 35-1-301.

33. As outlined above, in violation of S.C. Code Ann. § 35-1-501, the Respondents, in connection with the offer, sale, or purchase of a security, directly or indirectly, in this State: (1) employed a device, scheme, or artifice to defraud; (2) made untrue statements 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.

34. The Respondents' violations of the Act set forth above provide the basis for this Consent Order, pursuant to S.C. Code Ann. § 35-1-604(a)(1).

35. This Consent Order is appropriate and in the public interest, pursuant to the Act.

VI. ORDER

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

- a. Each Respondent and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of each of the Respondents shall **CEASE AND DESIST** from transacting business in this State in violation of the Act;
- b. The Respondents shall jointly and severally pay a civil penalty in the amount of forty thousand dollars (\$40,000.00) to the Division, payable monthly in the amount of five hundred dollars (\$500) per month, with payment due the first (1st) of each month beginning on August 1, 2022, and continuing until June 30, 2023. On June 30, 2023, the remaining balance of the civil penalty shall be paid to the Division. Payment not received within five (5) days of the due date will be considered past due and place the Respondents in default of this Consent Order. In the event of default, the Securities Commissioner will, in his discretion, have the ability to vacate this Consent Order, and the Respondents agree that the Order to Cease and Desist and the civil penalty set forth therein will be reinstated and be a final order by operation of law. In addition, the Division will have the ability to pursue further action, including, but not limited to, the relief provided in S.C. Code Ann. § 35-1-604(g); and
- c. The Respondents have agreed to pay twenty-five thousand dollars (\$25,000.00) in restitution to the SC Investor. Because of the remedial efforts of the Respondents, the civil penalty ordered in paragraph (b), *supra*, is hereby offset by twenty-five thousand dollars (\$25,000.00) and is hereby partially **SUSPENDED**.

Upon execution by the Securities Commissioner, this Consent Order resolves Matter Number 20211246 as to the Respondents.

As part of this Consent Order the Respondents agree that they: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order or creating the impression that this Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that the Respondents do not admit the allegations of this Consent Order, or that this Consent Order contains no admission of the allegations, without also stating that the Respondents do not deny the allegations. If the Respondents breach this agreement, the Securities Commissioner may vacate this Consent Order. Nothing in this paragraph affects the Respondents': (i) testimonial obligations or (ii) right to take differing legal or factual positions in litigation or other legal proceedings.

This Consent Order should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to investors as a result of the activities detailed herein, or (iii) other causes of action that may result from activities of a Respondent not detailed in this Consent Order.

ENTERED, this the 28 day of July, 2022.

ALAN WILSON
SECURITIES COMMISSIONER

By: Alan Wilson
ALAN WILSON
Securities Commissioner
State of South Carolina

Respondents Elijah' Isaiah X; EIX Acquisition Company, Corp.; and EIX Capital Management Corp.

By: 

Date: July 12, 2022

Elijah' Isaiah X, Individually
and on behalf of
EIX Acquisition Company, Corp.; and
EIX Capital Management Corp.

Attorney for the Respondents

By: 

Date: 7/22/22

Matthew M. McGuire, Esq.
McGuire Law, LLC

South Carolina Attorney General's Office Securities Division

By: 

Date: 7/26/22

Jonathan B. Williams
Assistant Deputy Attorney General

SC ATTORNEY GENERAL'S OFFICE
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COLUMBIA, SOUTH CAROLINA

HAND DELIVERY

RECEIVED BY:

DATE TIME

**SC ATTORNEY GENERAL'S OFFICE
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DATE

TIME