

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)
) **ORDER TO CEASE AND DESIST**
Richard L. Routh and Invictus University,)
)
) **File No. 13021**
Respondents.)

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 Richard L. Routh and Invictus University ("Respondents") which, if proven, would constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the Respondents 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 Routh is a North Carolina resident with an address of 211 Providence Way, Rutherfordton , North Carolina 29139 .
2. Respondent Invictus University is a business controlled by Respondent Routh.
3. Respondent Invictus University is not registered as a corporation with the Secretary of State in South Carolina or North Carolina .
4. Respondents are not registered to offer or sell securities in South Carolina.

5. Respondents have not registered or notice filed with the Division any shares for sale or any other opportunity involving investments in Respondent Invictus.
6. In or around March of 2013, the Division became aware of a website with the URL <http://www.invictus-university.com>.
7. The website <http://www.invictus-university.com> is viewable from within the State of South Carolina.
8. Respondent Routh's name and address appear as contacts for the business, Invictus University, on the web site.
9. Respondents' welcome page on the web site states, "If you would like to learn more about investing in this high-tech start-up, email us at rrouth@Invictus-University.com."
10. Respondents' welcome page on the web site states, "We currently plan to I.P.O. in 2018 with a market value at that time we hope to be considerably in excess of \$10 billion. Units of .1% of the company at I.P.O. are now available for \$200K each (this represents a 50 x ROI over 5 years; equivalent to over a 93% I.R.R.)."
11. Respondents' welcome page on the web site links to a video which is introduced with the following statement: "**A Casual Discussion:** We invite you to watch this video of our C.E.O. informally discussing our vision, our business concept, and the investment opportunity:" Respondent Routh is the person shown in the video discussing the investment opportunity and, in the video, Respondent Routh again refers to himself as "C.E.O." of Invictus.
12. Respondents' video includes the following written statement: "Would you like to become an investor in this new start-up? If you missed the opportunity to get in on the ground floor of

Microsoft, Intel, Dell, Apple, and Google, don't miss the opportunity to get in on the ground floor of Invictus-University.com.”

13. The video includes a statement by Respondent Routh, “We would be delighted to have you be part of our investor team.”
14. Respondents' welcome page on the web site links to a document called “ROI Analysis.”
15. Respondents' “ROI Analysis” page on the web site states, “Disclaimer: This is not an offer to solicit securities.”
16. Respondents' “ROI Analysis” page on the web site lists multiple investment units and shares available to “venture investors” during the period on or about March 1, 2013 to September 1, 2016.
17. Respondents' “ROI Analysis” page on the web site includes a footnote that “[a]ll stock listed above is class: “Prior Preferred Stock.” It is non-voting stock and convertible to common stock at IPO.”
18. Respondents' “ROI Analysis” page on the web site lists the total amount to be raised through the offering of investment units and shares as 320 million dollars.

WHEREAS, the investment units and shares being offered by Respondents constitute “securities” within the meaning of S.C. Code Ann. § 35-1-102(29); and

WHEREAS, the Respondents have offered for sale and/or sold such securities in the State of South Carolina; and

WHEREAS, Respondents have acted as agents, broker-dealers and/or issuers in connection with the offer and/or sale of such securities in South Carolina; and

WHEREAS, Respondents are not registered as agents, broker-dealers and/or issuers in South Carolina; and

WHEREAS, the securities Respondents offered and/or sold in South Carolina have not been registered for sale in South Carolina; and

WHEREAS no exemption from registration or notice filing has been made or claimed for any Respondent or for the securities themselves; and

WHEREAS, the Respondents, in connection with the solicitation of participants described above, made untrue statements of material facts and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

WHEREAS, based on the foregoing, the Division has determined that the Respondents have engaged, are engaging, and/or are about to engage in acts and practices which violate S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501; and

WHEREAS, 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 issue the following Order:

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that each Respondent and every successor, affiliate, control person, agent, servant, and employee of any Respondent, and every entity owned, operated, or indirectly or directly controlled by or on behalf of any 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, 35-1-402(a) and (d), and 35-1-501 thereof; and

- b. Specifically, cease and desist (i) soliciting new investors in or from South Carolina, (ii) offering any securities in or from South Carolina, and (iii) collecting fees in or from South Carolina, and
- c. Pay a civil penalty in the amount of ten thousand dollars (\$10,000.00) per Respondent if this Order becomes effective by operation of law, or, if any Respondent seeks a hearing and a legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by that Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that they have the right to a hearing on the matters contained herein. To schedule such a hearing, a 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 that a hearing be held to consider rescinding the Order.


In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation of the 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 a Respondent to file a written request for a hearing in this matter within the thirty (30) day period stated above shall be deemed a waiver by that Respondent of his right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in

this Order, including the stated civil penalty, becoming final as to that 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 PROSECUTION. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508 OR ANY OTHER APPLICABLE CODE SECTION.

SO ORDERED, this 22nd day of March, 2013.


Tracy A. Meyers
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