

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

**Michael McCormack and
Southern Star Media Group, LLC,**

Respondents.

**ORDER TO CEASE AND DESIST
File No. 13072**

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. Section 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 Michael McCormack and Southern Star Media Group, LLC (the "Respondents") which, if true, 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. Section 35-1-602; and

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

I. JURISDICTION

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

II. RESPONDENTS

2. Respondent Southern Star Media Group, LLC ("Southern Star") is a South Carolina limited liability company, with its principal place of business in South Carolina. Southern Star's last known address is 120 Misty Mountain Way, Cleveland, South Carolina 29635.

3. Respondent Michael McCormack (“McCormack”) is a South Carolina resident with a last known address of 120 Misty Mountain Way, Cleveland, South Carolina 29635.

III. FINDINGS OF FACT

4. In or around May, 2012, McCormack entered into an agreement with a Florida resident (the “Investor”) which provided that the Investor would receive five percent of Southern Star common stock in exchange for a \$12,000 investment.
5. The Respondents stated, in connection with the offer and sale of the security, the money invested would be used by the Respondents to produce a music awards show.
6. Southern Star filed with the South Carolina Secretary of State to register as a limited liability company on or around June 1, 2012.
7. Contrary to what the Respondents stated in connection with the offer and sale of the security at issue, a significant portion of Investor’s money was diverted for the personal benefit of the Respondents.
8. At no time relevant to the events stated herein was the security at issue registered, a federal covered security, or exempt from registration.
9. At no time relevant to the events stated herein was McCormack registered as an agent in this State or exempt from registration.

IV. CONCLUSIONS OF LAW

10. Pursuant to S.C. Code Ann. Section 35-1-301, it is unlawful for a person to offer or sell a security in this State unless the security is registered, a federal covered security, or exempt from registration under S.C. Code Ann. Sections 35-1-201 through 35-1-203.
11. Pursuant to S.C. Code Ann. Section 35-1-102(2), an agent is an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities, or represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities.

12. Pursuant to S.C. Code Ann. Section 35-1-402(a), it is unlawful for an individual to transact business as an agent in this State unless registered or exempt from registration.
13. Pursuant to S.C. Code Ann. Section 35-1-501, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to employ a device, scheme, or artifice to defraud, 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 in which they were made, not misleading, or to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit on another person.
14. The Respondents offered and sold securities in this State in violation of S.C. Code Ann. Section 35-1-301.
15. Respondent McCormack transacted business in this State as an agent in violation of S.C. Code Ann. Section 35-1-402.
16. The Respondents, in connection with the offer or sale of a security in this state, employed a device, scheme, or artifice to defraud, made an untrue statement of 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 engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person, in violation of S.C. Code Ann. Section 35-1-501.

V. CEASE AND DESIST ORDER

WHEREAS, pursuant to S.C. Code Ann. Section 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 or that a person has materially aided, is materially aiding, or is about to materially aid 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. Section 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 sought, 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. Section 35-1-604(a), IT IS HEREBY ORDERED that:

- a. Respondents immediately cease and desist from transacting business in this State in violation of the Act and, in particular, Sections 35-1-301, 35-1-402, and 35-1-501 thereof; and
- b. From the date of the issuance of this order, all exemptions created under S.C. Code Ann. Section 35-1-201(3)(C), (7), and (8) or Section 35-1-202, and exemptions created under Section 35-1-203 are revoked and are unavailable to the Respondents; and
- c. Respondents, jointly and severally, pay a civil penalty in an amount of five thousand dollars (\$5,000) if this Order becomes effective by operation of law, but if either Respondent 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 committed by that Respondent, and the actual cost of the investigation and proceeding.

VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that they each 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 to Cease and Desist a written Answer specifically requesting a hearing. If either Respondent requests a hearing, the Division,

within fifteen (15) days after receipt of a request in a record from a Respondent, will schedule the hearing for the requesting Respondent(s).

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. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation 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 the 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 and any assessed fees, becoming final as to that Respondent by operation of law.

This Order does not prevent the Division or any other law enforcement agency from seeking other civil or criminal remedies that are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

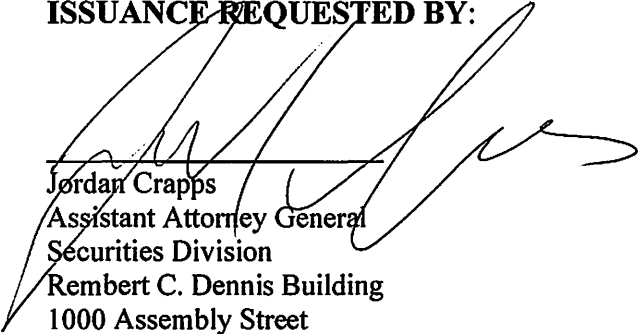
CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENALTIES PURSUANT TO S.C. CODE ANN. § 35-1-508.

ENTERED, this the 11th day of March, 2014.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Assistant Deputy Attorney General

ISSUANCE REQUESTED BY:



Jordan Crapps
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 13072

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated March 11, 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:

Michael McCormack
Individually & on behalf of
Southern Star Media Group, LLC
120 Misty Mountain Way
Cleveland, SC 29635

Document(s): Order to Cease and Deist

Mailed March 11, 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 11 day of March, 2014.



Notary Public for South Carolina

My commission expires: 7/2/18