

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

IN THE MATTER OF:)
Joel Sledge,) **ORDER TO CEASE AND DESIST**
)
)
) **File No. 11035**
_____ **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. 2011), received information regarding alleged activities of Joel Sledge ("Respondent") which, if true, could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the 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 Joel Sledge was, at all times relevant, a resident of the State of South Carolina.
2. The Respondent's last known address is Post Office Box 21501, Hilton Head Island, South Carolina, 29925-1501.
3. During the calendar years of 2008 and 2009, the Respondent sold promissory notes to a number of investors living in South Carolina and in Georgia.

4. Specifically, the Respondent sold promissory notes to at least three South Carolina investors and at least one Georgia investor (collectively, the “Investors”) during the period 2008-2009.
5. The Respondent sold the promissory notes in South Carolina and/or received the proceeds of the promissory notes sales in South Carolina.
6. At the time of the promissory note sales, the Respondent was not registered to sell securities in South Carolina.
7. The notes the Respondent sold to the Investors were not registered with the Division.
8. The Respondent, in the notes given to Investors, memorialized parts of his agreement with the Investors, including his agreement and assurance that the money invested would be spent on real estate and costs associated with real estate transactions.
9. The promissory notes the Respondent issued generally specified a specific dollar amount return on the Investor’s initial investment by a certain date pending an alleged real estate closing.
10. Rather than utilizing Investor money in the manner indicated, the Respondent deposited Investor money into his personal bank account.
11. The Respondent then spent large amounts of Investor money on personal expenses not associated with real estate or in furtherance of a real estate investment business.

WHEREAS, the promissory notes the Respondent offered are “securities” within the meaning of S.C. Code Ann. § 35-1-102(29); and

WHEREAS, the Respondent acted as the issuer of the securities and issued, offered and sold the securities in South Carolina; and

WHEREAS, the securities were not registered, federal covered, or otherwise exempt from registration; and

WHEREAS, the Respondent, in connection with the offer and sale of the securities:

(a) employed a device, scheme, or artifice to defraud;

(b) 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/or

(c) engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person; and

WHEREAS, based on the foregoing, the Division has determined that 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 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 the Respondent and every successor, affiliate, control person, agent, servant, and employee of the 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 and 35-1-501 thereof; and

- b. Pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000.00) and reimburse the Division five hundred dollars (\$500.00) for the cost of the investigation if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and any 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 the Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

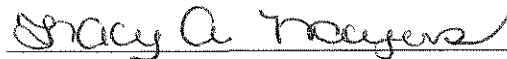
The Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina 29211-1549, attention: Thresechia Navarro, 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 the 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 the Respondent of his 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, becoming final as to the 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 14th day of December, 2012.



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