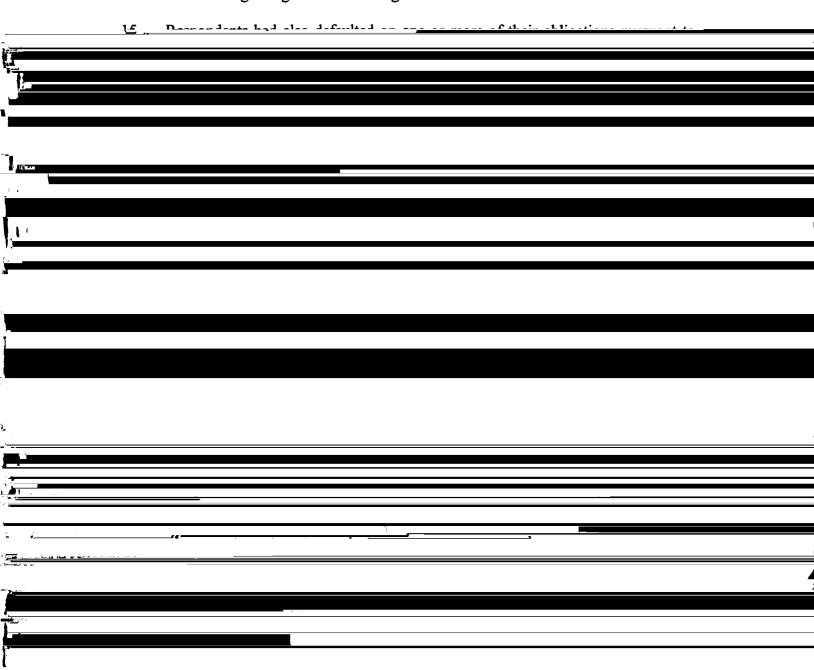
## ADMINISTRATIVE PROCEEDING

## **BEFORE THE**

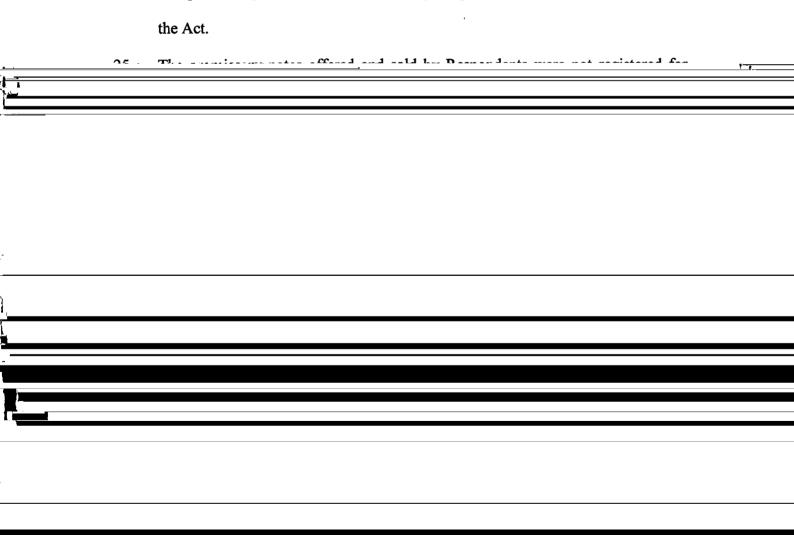
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	IN THE MATTER OF:	) ORDER TO CEASE AND DESIST
	Clifton Rodney Michael (a/k/a "C. Rodney Michael," a/k/a "Rodney Michael")	) ) )
	and	) File No. 08006
	R & M Loans, Inc.	
	Respondents.	<u>)</u>
	WHEREAS, the Securities Division	on of the Office of the Attorney General of the State of
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- corporation owned and controlled by Respondent Michael.
- The primary business address for Respondents during the relevant time period was 200 Chesterfield Highway, Cheraw, South Carolina 29520.
- In or around 2003, Respondents began offering promissory notes in and from the State of South Carolina.
- 5. When making the offers, Respondents indicated the proceeds of the promissory notes would be used to make consumer loans and that the notes were "guaranteed."
- 6. During the relevant time period, Respondent R&M was a company in the business of making consumer loans.
- 7. Upon information and belief, Respondent R&M was funded by proceeds it obtained from investors.

- 12. Upon information and belief, as of as of December 31, 2009, the outstanding promissory notes had a combined outstanding obligation of at least five hundred twenty-nine thousand, five hundred and eight dollars (\$529,508.00).
- 13. The terms of the promissory notes issued by Respondents varied, but most guaranteed rates of interest between ten (10%) and fifteen (15%) percent.
- 14. By November 2007, Respondents had begun failing to meet their obligations to investors regarding the investors' "guaranteed" interest rates.



- On or around March 31, 2009, Respondent Michael came to the offices of the 21. South Carolina Securities Division to give a statement concerning his business at Respondent R&M Loans and the terms of the promissory note investment offered by Respondents.
- In the statement Respondent Michael admitted he had used money given to him 22. and Respondent R&M for promissory notes for personal use.
- In the statement and in later communications Respondent Michael also indicated 23. he did not keep records of company (R&M) money and/or the amount of company money he used for personal expenses.
- The promissory notes offered and sold by Respondents are securities pursuant to 24.



WHEREAS, the promissory notes offered by Respondents Michael and R&M, as described above, constitute "securities" within the meaning of S.C. Code Ann. § 35-1-102(29); and

	WHEREAS, Respondents Michael and R&M, as described above, offered and
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	sold the securities in and from this State; and
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	offer or sell a security in this State unless (1) the security is a federal covered security; (2)
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	Respondents have engaged in acts and practices which violate S.C. Code Ann. §§ 35-1-
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