

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

IN THE MATTER OF:

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ORDER TO CEASE AND DESIST

**John Strength,
Brittney O'Daniel, and
Cancun Enterprises, LLC,
Respondents.**

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File No. 14053

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. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the "Act"); and

2. John Strength is a Texas resident with a last known address of 425 Beacon Hill Road, Coppell, Texas 75019.

3. Brittney O'Daniel is a Texas resident with a last known address of 425 Beacon Hill Road, Coppell, Texas 75019.

4. Cancun Enterprises is a Texas limited liability company with a last known address of 4237 Pinewood Dr., Plano, Texas 75093.

4. In or about 2006, Respondents Strength and O'Daniel formed Cancun Enterprises in Dallas, Texas.

5. Cancun Enterprises' alleged purpose was the development of a restaurant and entertainment venue called "Crocodile Rocks" (the "Venue") in Cancun, Quintana Roo, Mexico.

6. The Respondents solicited funds from numerous investors for the alleged purpose of developing the Venue.

7. In order to reach investors in South Carolina, the Respondents persuaded a South

Carolina resident himself an early investor to solicit other South Carolina investors on their

9. Neither the Shares, nor the Respondents, nor Investor A were registered with the

Division pursuant to registration with the Division of the United States Securities and

10. The Respondents eventually obtained at least \$1,000,000.00 from the South

Caroline Investors

- c. Over seven thousand dollars \$7,000.00 on luxury cruise accommodations;
and
- d. Over \$20,000.00 in fine dining, clothing, and home furnishings.

16. In connection with the offer and sale of Shares to the South Carolina Investors, the Respondents, directly and through Investor A, made numerous false and misleading statements and omissions, including but not limited to the following:

- a. [REDACTED]
Falsely stating Cancun Enterprises had obtained all the necessary permits and that construction on the Venue was due to begin in six (6) months;
- b. Falsely stating that the South Carolina Investors' funds would be directed to the development and operation of the Venue;
- c. Omitting to disclose the significant contingent liability faced by Respondent Cancun Enterprises in light of its failure to register the Shares and the lack of [REDACTED] liability of [REDACTED] from registration; and

d. Omitting to disclose that the Shares could not legally be offered for sale in

certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.

20. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in this State unless that security is registered, a federal covered security, or exempt from registration.

21. Pursuant to S.C. Code Ann. § 35-1-402 (d) it is unlawful for an issuer engaged in

24. Pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under § 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, within fifteen (15) days after the receipt of payment in excess of \$100,000 from a Respondent, the matter will be scheduled for

a hearing as to that Respondent.

25. The Shares offered and sold by the Respondents constitute securities as defined by the Act.

26. The Shares offered and sold by the Respondents were neither federal covered

31. It is in the public interest, for the protection of investors, and consistent with the

purpose of the Act that the Defendants be ordered to cease and desist from engaging in the

above enumerated practices which constitute violations of the Act and pay an appropriate civil penalty for their wrongdoing.

V. CEASE AND DESIST ORDER

NOW THEREFORE, the Court, by its order of this date, does hereby order the Defendants to

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 11540, B. 1, C. D. in D. H. C. 1, S. 1, C. 1, C. 1

ENTRANCED, this the ^{21st} day of October, 1900.

ALAN WILSON

SECRETARY

THE
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MUSICIANS
OF
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NEW YORK

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STATE OF SOUTH CAROLINA
OFFICE OF THE COMPTROLLER

STATE OF SOUTH CAROLINA
OFFICE OF THE COMPTROLLER
1500 BAYVIEW DRIVE
COLUMBIA, SOUTH CAROLINA 29201

Mr. James W. ...
1500 Bayview Drive
Columbia, South Carolina 29201

Dear Mr. ...:

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STATE OF COMPLETION

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