## ADMINISTRATIVE PROCEEDING

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	IN THE MATTER OF:	)	
		)	ORDER TO CEASE AND DESIST
	Franklin Delano McCrea, Jr.,	)	File No. 12005
	, ,	)	
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	WHEREAS, the Securities Divi	ision of the Of	fice of the Attorney General of the State of
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	South Carolina (the "Division") ha	as been auth	orized and directed by the Securities
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2. Franklin Delano McCrea, Jr. is a resident of Charleston County, South Carolina, with a last known address of 959 East Main Street #1662, North Charleston, South Carolina, 29419.

## **III. FINDINGS OF FACT**

3. In or about 2008, the Respondent began marketing, through the Internet and other mediums, an investment opportunity in a collateralized mortgage obligation (the "Alleged CMO").<sup>1</sup>

Investor A

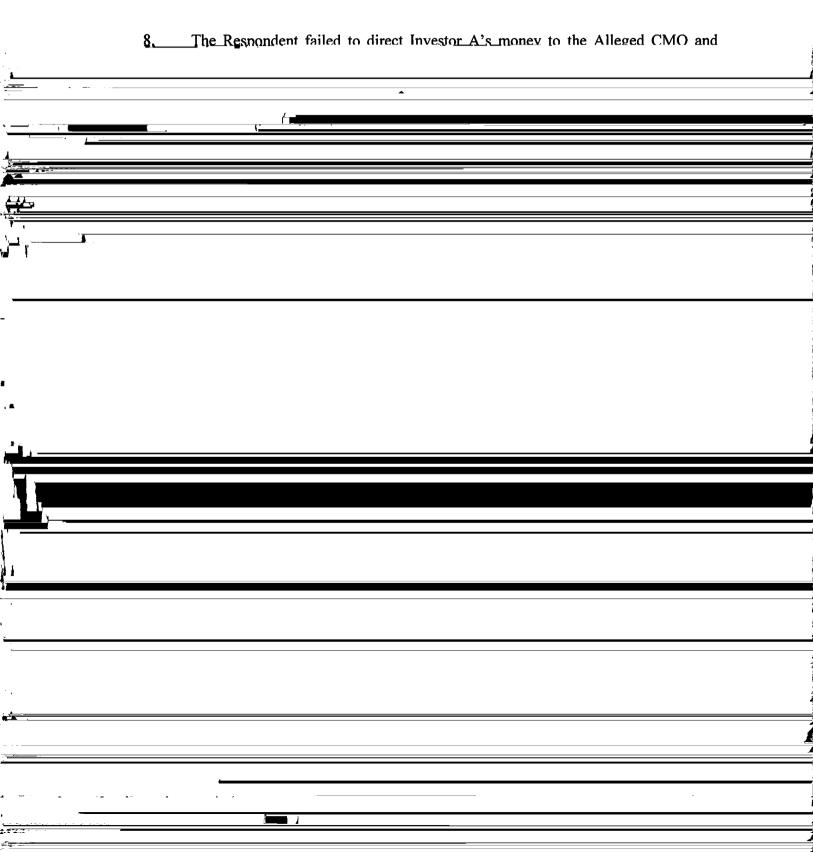
4. In the summer of 2008, a resident of Clark County, Nevada ("Investor A") searching for an investment opportunity which would bring an above-market rate of return, found the Respondent's offering of the Alleged CMO on the Internet.

5. Following Investor A's initial contact with him, the Respondent falsely stated to Investor A that he was "registered in the SEC/FED's database."

6. The Respondent further falsely claimed that that he had worked for six (6) years for a major South Carolina law firm and was "affiliated with over 100 law firms nationwide,"

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7. The Respondent induced Investor A to wire his twenty-five thousand dollar (\$25,000) investment in the Alleged CMO to the bank account of a South Carolina attorney located in North Charleston, South Carolina (the "North Charleston Attorney").



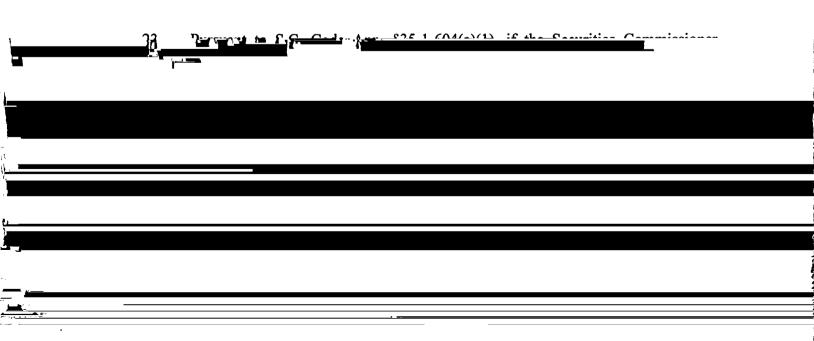
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21. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection with the offer or sale of a security in this State: (1) to employ a scheme, device, or artifice to

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	necessary in order to make the statements made, in light of the circumstances in which they were
	mode not micloadings on (2) to encourse in an est pression or course of husiness that operates or
	made, not misleading; or (3) to engage in an act, practice, or course of business that operates or

would operate as a fraud or deceit upon another person.



27. The Respondent acted as an agent in the offer and sale of the Alleged CMO without being registered as such in violation of the Act.

28. The Respondent sold securities in this State: (1) while employing a scheme, device, or artifice to defraud; (2) through the making of untrue statements of material fact or omitting 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; and (3) by engaging in an act, practice,

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

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each violation of the Act by the Respondent, and the actual cost of the investigation or proceeding.

**IT IS FURTHER ORDERED** that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Division that the Respondent may claim to rely upon under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), has been and is **PERMANENTLY REVOKED**.

## VI. 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,

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