

RECEIVED

APR 12 2019

S.C. SUPREME COURT

**STATE OF SOUTH CAROLINA
IN THE SUPREME COURT**

Appeal from Richland County
Court of Common Pleas
Tanya A. Gee, Circuit Court Judge
Appellate Case No. 2015-001845

ORIGINAL

JOHN M. MCINTYRE AND SILVER OAK LAND MANAGEMENT, LLC,

Respondents,

vs.

SECURITIES COMMISSIONER OF SOUTH CAROLINA,

Petitioner.

APPENDIX

CORY E. MANNING
Nelson Mullins Riley & Scarborough LLP
1320 Main Street, 17th Floor
Columbia, South Carolina 29201

ROBERT V. MATHESON, JR.
Matheson & Matheson
Post Office Box 5271
Hilton Head Island, South Carolina 29938

ALAN WILSON
Securities Commissioner

JONATHAN B. WILLIAMS
Assistant Deputy Attorney
General

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Assistant Attorney General
S.C. Bar. No. 101422
Office of the Attorney General
Post Office Box 11549
Columbia, South Carolina
29211

ATTORNEY FOR THE RESPONDENTS ATTORNEYS FOR THE PETITIONER

INDEX

INDEX	i
RECORD ON APPEAL	1
FINAL BRIEF OF APPELLANT	1183
FINAL REPLY BRIEF OF APPELLANT	1211
FINAL BRIEF OF RESPONDENT	1229
SUPPLEMENTAL RECORD ON APPEAL	1261
MOTION TO TAKE NOTICE OF ADJUDICATIVE FACTS	2655
DISPOSITIONAL DECISION OPINION NO. 5602	2671
ORDER GRANTING MOTION TO TAKE NOTICE OF ADJUDICATIVE FACTS	2681
PETITION FOR REHEARING	2682
ORDER DENYING PETITION FOR REHEARING	2694
CORRESPONDENCE FROM SC COURT OF APPEALS DATED 3/20/2019	2695

2501

ECS Web

Page 1 of 1

 SILVER OAK LAND TRUST II, LLC P.O. BOX 22027 NORTH PLAGE, CO 80921		BANWELDON, N.J. 67-215-271		704/2011	
PAY TO THE ORDER OF <i>Maria Rendon</i>		\$ <i>215.00</i>		COLLAPSE	
Two Hundred Forty Five and 00/100		<i>[Signature]</i>		<i>[Redacted]</i>	
<i>[Redacted]</i>		<i>[Redacted]</i>		<i>[Redacted]</i>	

SILVER OAK LAND TRUST M, LLC
P.O. BOX 2757
MILTON MA, MA 02185
08/06/2012
\$26.75
UNITED STATES TREASURY
PAY TO THE ORDER OF
[REDACTED]

08/06/2012 - [REDACTED] - \$26.76

SILVER OAK LAND TRUST M, LLC
P.O. BOX 2757
MILTON MA, MA 02185
08/06/2012
\$26.76
North Carolina Department of Revenue
Eight Hundred Twenty and 75/100
[REDACTED]

08/06/2012 - [REDACTED] - \$26.76

07/25/2012 - [REDACTED] - \$820.69

07/25/2012 - [REDACTED] - \$820.69

SILVER OAK LAND TRUST M, LLC
P.O. BOX 2757
MILTON MA, MA 02185
07/25/2012
\$820.69
Bank of America
Two Hundred and Twenty Eight and 69/100
[REDACTED]

07/25/2012 - [REDACTED] - \$820.69

07/23/2012 - [REDACTED] - \$298.41

07/23/2012 - [REDACTED] - \$298.41

SILVER OAK LAND TRUST M, LLC
P.O. BOX 2757
MILTON MA, MA 02185
07/23/2012
\$298.41
Bank of America
Two Hundred and Ninety Eight and 41/100
[REDACTED]

07/23/2012 - [REDACTED] - \$298.41

07/23/2012 - [REDACTED] - \$145.00

07/23/2012 - [REDACTED] - \$145.00

SILVER OAK LAND TRUST, LLC
P.O. BOX 1127
SILVER OAK, MO 63080
BANK OF AMERICA, N.A.
07/20/2012
\$ 269.36
COLLAGE

TO THE ORDER OF
BANK OF AMERICA, N.A.
Two Hundred Sixty Nine and 36/100

07/20/2012

07/20/2012 - - \$269.36

07/20/2012 - - \$269.36

SILVER OAK LAND TRUST, LLC
P.O. BOX 1127
SILVER OAK, MO 63080
BANK OF AMERICA, N.A.
07/20/2012
\$ 269.36
COLLAGE

TO THE ORDER OF
BANK OF AMERICA, N.A.
Two Hundred Sixty Nine and 36/100

07/20/2012

01/06/2012 - - \$88.00

01/06/2012 - - \$88.00

SILVER OAK LAND TRUST, LLC
P.O. BOX 1127
SILVER OAK, MO 63080
BANK OF AMERICA, N.A.
01/06/2012
\$ 88.00
COLLAGE

TO THE ORDER OF
BANK OF AMERICA, N.A.
Eighty Eight and 00/100

01/06/2012

11/23/2011 - - \$1,324.00

11/23/2011 - - \$1,324.00

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
10/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
67 FUSKIE LANE
DAUFUSKIE ISLAND SC 29915

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 09/28/12	254.89
MINIMUM BALANCE	254.89	CREDITS	.00
AVG AVAILABLE BALANCE	254.89	DEBITS	.00
AVERAGE BALANCE	254.89	THIS STATEMENT 10/31/12	254.89

- END OF STATEMENT -

2505

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
09/28/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	254.89	LAST STATEMENT 08/31/12	254.89
AVG AVAILABLE BALANCE	254.89	CREDITS	.00
AVERAGE BALANCE	254.89	DEBITS	.00
		THIS STATEMENT 09/28/12	254.89

- END OF STATEMENT -

ROA_2425

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
08/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
1
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 07/31/12	17.09
MINIMUM BALANCE	17.09	1 CREDITS	737.80
AVG AVAILABLE BALANCE	354.02	1 DEBITS	500.00
AVERAGE BALANCE	354.02	THIS STATEMENT 08/31/12	254.89

----- DEPOSITS -----

REF #.....	DATE.....	AMOUNT	REF #.....	DATE.....	AMOUNT	REF #.....	DATE.....	AMOUNT
	08/07	737.80						

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
43623 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	08/16	500.00
18:40		

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
8/07	754.89	08/16	254.89		

- END OF STATEMENT -

2507

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
07/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 06/29/12	17.09
MINIMUM BALANCE	17.09	CREDITS	.00
AVG AVAILABLE BALANCE	17.09	DEBITS	.00
AVERAGE BALANCE	17.09	THIS STATEMENT 07/31/12	17.09

- END OF STATEMENT -

ROA_2427

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
06/29/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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0
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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 05/31/12	17.09
MINIMUM BALANCE	17.09	CREDITS .00
AVG AVAILABLE BALANCE	17.09	DEBITS .00
AVERAGE BALANCE	17.09	THIS STATEMENT 06/29/12 17.09

- END OF STATEMENT -

2509

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
05/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 04/30/12	17.09
MINIMUM BALANCE	17.09	CREDITS .00
AVG AVAILABLE BALANCE	17.09	DEBITS .00
AVERAGE BALANCE	17.09	THIS STATEMENT 05/31/12 17.09

- END OF STATEMENT -

ROA_2429

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
04/30/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 03/30/12	17.09
MINIMUM BALANCE	17.09	CREDITS .00
AVG AVAILABLE BALANCE	17.09	DEBITS .00
AVERAGE BALANCE	17.09	THIS STATEMENT 04/30/12 17.09

- END OF STATEMENT -

2511

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
03/30/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
1
3

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	17.09	LAST STATEMENT 02/29/12	27.88
AVG AVAILABLE BALANCE	239.16	1 CREDITS	2,500.00
AVERAGE BALANCE	239.16	4 DEBITS	2,510.79
		THIS STATEMENT 03/30/12	17.09

----- DEPOSITS -----

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	03/13	2,500.00						

----- CHECKS -----

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
[REDACTED]	03/16	750.00	[REDACTED]	03/15	1,698.40	[REDACTED]	03/28	12.39

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
SHELL THE ASSOC ONLINE PMT CKF [REDACTED]	03/27	50.00

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
03/13	2,527.88	03/16	79.48	03/28	17.09
03/15	829.48	03/27	29.48		

- END OF STATEMENT -

ROA_2431

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
02/29/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 01/31/12	27.88
MINIMUM BALANCE	27.88	CREDITS	.00
AVG AVAILABLE BALANCE	27.88	DEBITS	.00
AVERAGE BALANCE	27.88	THIS STATEMENT 02/29/12	27.88

- END OF STATEMENT -

2513

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
01/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	27.88	LAST STATEMENT 12/30/11	177.88
AVG AVAILABLE BALANCE	70.06	CREDITS	.00
AVERAGE BALANCE	70.06	1 DEBITS	150.00
		THIS STATEMENT 01/31/12	27.88

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
154106 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	01/09	150.00
7:23		

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
01/09	27.88				

- END OF STATEMENT -

ROA_2433

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
12/30/2011

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

BEGINNING FEBRUARY 1, 2012, A FEW OF THE FEES RELATED TO YOUR ACCOUNTS
ARE CHANGING. FOR YOUR CONVENIENCE, WE'VE ENCLOSED A BROCHURE
HIGHLIGHTING THOSE CHANGES.

=====

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 11/30/11	383.91
MINIMUM BALANCE	177.88	CREDITS	.00
AVG AVAILABLE BALANCE	301.49	1 DEBITS	206.03
AVERAGE BALANCE	301.49	THIS STATEMENT 12/30/11	177.88

----- OTHER DEBITS -----		DATE	AMOUNT
DESCRIPTION			
1/2 WIRELESS VE VZW WEBPAY [REDACTED]		12/19	206.03

----- DAILY BALANCE -----		-----	
DATE.....	BALANCE	DATE.....	BALANCE
12/19	177.88		

- END OF STATEMENT -

2515

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
11/30/2011

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST V LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 11/06/11	383.91
MINIMUM BALANCE	383.91	CREDITS .00
AVG AVAILABLE BALANCE	383.91	DEBITS .00
AVERAGE BALANCE	383.91	THIS STATEMENT 11/30/11 383.91

- END OF STATEMENT -

ROA_2435

Date 11/04/11 Page 1
Privacy Account
EnclosuresSilver Oak Land Trust V, LLC
PO Box 22827
Hilton Head Island SC 29926-2827

CHECKING ACCOUNT

Business Checking		Number of Enclosures	0
Account Number		Statement Dates	11/01/11 thru 11/06/11
Previous Balance	383.91	Statement Dates	6
Deposits/Credits	.00	Average Ledger	383.91
Checks/Debits	.00	Average Collected	383.91
Total Fees	.00		
Interest Paid	.00		
Current Balance	383.91		

Date 10/31/11
Primary Account
Enclosures

Page 1

Silver Oak Land Trust V, LLC
PO Box 22827
Hilton Head Island SC 29925-2827

CHECKING ACCOUNT

Business Checking		Number of Enclosures	0
Account Number		Statement Dates	10/03/11 thru 10/31/11
Previous Balance	383.91	Statement Dates	29
Deposits/Credits	.00	Average Ledger	383.91
Checks/Debits	.00	Average Collected	383.91
Total Fees	.00		
Interest Paid	.00		
Current Balance	383.91		

Date 2/29/08
Primary Account
Enclosures

Page 1

SILVER OAK LAND TRUST V, LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925

CHECKING ACCOUNT

Business Checking		Number of Enclosures	1
Account Number		Statement Dates	2/01/08 thru 3/02/08
Previous Balance	.00	Statement Dates	31
7 Deposits/Credits	208,300.00	Average Ledger	67,225.96
1 Checks/Debits	11,015.00	Average Collected	57,496.93
Service Charge	.00		
Interest Paid	.00		
Current Balance	197,785.00		

Date	Description	Amount	Balance
2/01	Deposit	23,200.00	23,200.00
3/11	Misc Credit	23,200.00	46,400.00
2/19	Wire Transfer Debit	11,015.00	35,385.00
2/22	Deposit	23,200.00	58,585.00
2/25	Wire Transfer Credit	23,200.00	81,785.00
2/25	Wire Transfer Credit	23,200.00	104,985.00
2/25	Deposit	46,400.00	151,385.00
2/29	Deposit	46,400.00	197,785.00

[illegible]

02/01/2008 0 [REDACTED] 23200.00

████████████████████

WAXEN 8-7-71 63 8771
Tues 6 1101
23 MAY 71
23200.00

02/11/2008 0 [REDACTED] 23200 00

DATE	DESCRIPTION	AMOUNT	BALANCE
1/1/01	OPENING BALANCE		23200.00
1/1/01	SALES	1000.00	24200.00
1/1/01	SALES	1000.00	25200.00
1/1/01	SALES	1000.00	26200.00
1/1/01	SALES	1000.00	27200.00
1/1/01	SALES	1000.00	28200.00
1/1/01	SALES	1000.00	29200.00
1/1/01	SALES	1000.00	30200.00
1/1/01	SALES	1000.00	31200.00
1/1/01	SALES	1000.00	32200.00
1/1/01	SALES	1000.00	33200.00
1/1/01	SALES	1000.00	34200.00
1/1/01	SALES	1000.00	35200.00
1/1/01	SALES	1000.00	36200.00
1/1/01	SALES	1000.00	37200.00
1/1/01	SALES	1000.00	38200.00
1/1/01	SALES	1000.00	39200.00
1/1/01	SALES	1000.00	40200.00
1/1/01	SALES	1000.00	41200.00
1/1/01	SALES	1000.00	42200.00
1/1/01	SALES	1000.00	43200.00
1/1/01	SALES	1000.00	44200.00
1/1/01	SALES	1000.00	45200.00
1/1/01	SALES	1000.00	46200.00
1/1/01	SALES	1000.00	47200.00
1/1/01	SALES	1000.00	48200.00
1/1/01	SALES	1000.00	49200.00
1/1/01	SALES	1000.00	50200.00
1/1/01	SALES	1000.00	51200.00
1/1/01	SALES	1000.00	52200.00
1/1/01	SALES	1000.00	53200.00
1/1/01	SALES	1000.00	54200.00
1/1/01	SALES	1000.00	55200.00
1/1/01	SALES	1000.00	56200.00
1/1/01	SALES	1000.00	57200.00
1/1/01	SALES	1000.00	58200.00
1/1/01	SALES	1000.00	59200.00
1/1/01	SALES	1000.00	60200.00
1/1/01	SALES	1000.00	61200.00
1/1/01	SALES	1000.00	62200.00
1/1/01	SALES	1000.00	63200.00
1/1/01	SALES	1000.00	64200.00
1/1/01	SALES	1000.00	65200.00
1/1/01	SALES	1000.00	66200.00
1/1/01	SALES	1000.00	67200.00
1/1/01	SALES	1000.00	68200.00
1/1/01	SALES	1000.00	69200.00
1/1/01	SALES	1000.00	70200.00
1/1/01	SALES	1000.00	71200.00
1/1/01	SALES	1000.00	72200.00
1/1/01	SALES	1000.00	73200.00
1/1/01	SALES	1000.00	74200.00
1/1/01	SALES	1000.00	75200.00
1/1/01	SALES	1000.00	76200.00
1/1/01	SALES	1000.00	77200.00
1/1/01	SALES	1000.00	78200.00
1/1/01	SALES	1000.00	79200.00
1/1/01	SALES	1000.00	80200.00
1/1/01	SALES	1000.00	81200.00
1/1/01	SALES	1000.00	82200.00
1/1/01	SALES	1000.00	83200.00
1/1/01	SALES	1000.00	84200.00
1/1/01	SALES	1000.00	85200.00
1/1/01	SALES	1000.00	86200.00
1/1/01	SALES	1000.00	87200.00
1/1/01	SALES	1000.00	88200.00
1/1/01	SALES	1000.00	89200.00
1/1/01	SALES	1000.00	90200.00
1/1/01	SALES	1000.00	91200.00
1/1/01	SALES	1000.00	92200.00
1/1/01	SALES	1000.00	93200.00
1/1/01	SALES	1000.00	94200.00
1/1/01	SALES	1000.00	95200.00
1/1/01	SALES	1000.00	96200.00
1/1/01	SALES	1000.00	97200.00

02/22/2008 0 [REDACTED] 23200.00

00000000

02/25/2008 0 [REDACTED] 23200 00

[illegible]

02/25/2008 0 46400.00

2521

ECS Web

Page 2 of 2

CHICKEN ADVANCE OF CREDIT

DATE 2-23-08

APPROVED BY PT

WE CREDIT YOUR ACCOUNT AS FOLLOWS

WE CREDIT YOUR ACCOUNT AS FOLLOWS	AMOUNT
Incoming Wire Notification	23200.00

↓ TOTAL AMOUNT ↓

SOLT V, LLC
PO Box 22827
HHI, S.C. 29925

\$ 23200.00

15145-00330

02/25/2008 0 23200.00

00*000000

CHICKEN ADVANCE OF CREDIT

DATE 2-23-08

APPROVED BY PT

WE CREDIT YOUR ACCOUNT AS FOLLOWS

WE CREDIT YOUR ACCOUNT AS FOLLOWS	AMOUNT
Incoming Wire Notification	23200.00

↓ TOTAL AMOUNT ↓

SOLT V, LLC
PO Box 22827
HHI, S.C. 29925

\$ 23200.00

15145-00330

CHICKEN ADVANCE OF CREDIT

DATE 2-29-08

APPROVED BY PT

WE CREDIT YOUR ACCOUNT AS FOLLOWS

WE CREDIT YOUR ACCOUNT AS FOLLOWS	AMOUNT
Transfer	15000.00

↓ TOTAL AMOUNT ↓

SOLT V, LLC
PO Box 22827
HHI, S.C. 29925

\$ 15000.00

15145-00330

02/29/2008 0 46400.00

00*000000

CHICKEN ADVANCE OF CREDIT

DATE 2-29-08

APPROVED BY PT

WE CREDIT YOUR ACCOUNT AS FOLLOWS

WE CREDIT YOUR ACCOUNT AS FOLLOWS	AMOUNT
Transfer	15000.00

↓ TOTAL AMOUNT ↓

SOLT V, LLC
PO Box 22827
HHI, S.C. 29925

\$ 15000.00

15145-00330

CHICKEN ADVANCE OF CREDIT

DATE 3-27-08

APPROVED BY PT

WE CREDIT YOUR ACCOUNT AS FOLLOWS

WE CREDIT YOUR ACCOUNT AS FOLLOWS	AMOUNT
Transfer	15000.00

↓ TOTAL AMOUNT ↓

SOLT V, LLC
PO Box 22827
HHI, S.C. 29925

\$ 15000.00

15145-00330

03/27/2008 0 15000.00

00*000000

CHICKEN ADVANCE OF CREDIT

DATE 3-27-08

APPROVED BY PT

WE CREDIT YOUR ACCOUNT AS FOLLOWS

WE CREDIT YOUR ACCOUNT AS FOLLOWS	AMOUNT
Transfer	15000.00

↓ TOTAL AMOUNT ↓

SOLT V, LLC
PO Box 22827
HHI, S.C. 29925

\$ 15000.00

15145-00330

SCBT CHECKING DEPOSIT

DATE 8-6-12

NAME SOLT V

ACCOUNT NUMBER [REDACTED]

NET DEPOSIT \$ 737.80

009

CHECKING DEPOSIT

DATE 8-6-12

NAME SOLT V

ACCOUNT NUMBER [REDACTED]

NET DEPOSIT \$ 737.80

009

08/06/2012 0 \$737.80

08/06/2012 0 \$737.80

SCBT CHECKING DEPOSIT

DATE 3-13-12

NAME SOLT V

ACCOUNT NUMBER [REDACTED]

NET DEPOSIT \$ 2500.00

009

CHECKING DEPOSIT

DATE 3-13-12

NAME SOLT V

ACCOUNT NUMBER [REDACTED]

NET DEPOSIT \$ 2500.00

009

03/13/2012 0 \$2,500.00

03/13/2012 0 \$2,500.00

2523

ECS Web

Page 1 of 1

CHECKING ADVANCE OF CASH		DATE 2/19/08	TRAIL CODE 111	ACCOUNT NUMBER [REDACTED]
APPROVED BY		WE DEBIT YOUR ACCOUNT AS FOLLOWS		AMOUNT 11,015.00
SILVER OAK LAND TRUST II, LLC PO Box 22827 HHIS, SC 29925		TOTAL AMOUNT		\$ 11,015.00
45145-00304				

02/19/2008 0 [REDACTED] 11015.00

CHECKING ADVANCE OF CASH		DATE 03/03/08	TRAIL CODE 500000	ACCOUNT NUMBER [REDACTED]
APPROVED BY		WE DEBIT YOUR ACCOUNT AS FOLLOWS		AMOUNT 105.53
[REDACTED]		TOTAL AMOUNT		\$ 105.53
50000000 400534081884 203020029898				

03/03/2008 500000 [REDACTED] 105.53

CHECKING ADVANCE OF CASH		DATE 03/10/08	TRAIL CODE 500001	ACCOUNT NUMBER [REDACTED]
APPROVED BY		WE DEBIT YOUR ACCOUNT AS FOLLOWS		AMOUNT 15.00
SILVER OAK LAND TRUST V, LLC PO Box 22827 HHIS SC 29925		TOTAL AMOUNT		\$ 15.00
VOID AFTER 90 DAYS FROM ABOVE DATE Signatures on file				
50000100 400534081884 203020029898				

03/10/2008 500001 [REDACTED] 15.00

CHECKING ADVANCE OF CASH		DATE 03/27/08	TRAIL CODE 111	ACCOUNT NUMBER [REDACTED]
APPROVED BY		WE DEBIT YOUR ACCOUNT AS FOLLOWS		AMOUNT 21,087.00
SILVER OAK LAND TRUST V, LLC PO Box 22827 HHIS SC 29925		TOTAL AMOUNT		\$ 21,087.00
15145-00304				

03/27/2008 0 [REDACTED] 21087.00

CHECKING ADVANCE OF CASH		DATE 03/27/08	TRAIL CODE 112	ACCOUNT NUMBER [REDACTED]
APPROVED BY		WE DEBIT YOUR ACCOUNT AS FOLLOWS		AMOUNT 15.00
SILVER OAK LAND TRUST V, LLC PO Box 22827 HHIS SC 29925		TOTAL AMOUNT		\$ 15.00
45145-00304				

03/27/2008 0 [REDACTED] 15.00

3200010055 02-19-2008 10539081884

3200010055 02-19-2008 10539081884

3200010055 02-19-2008 10539081884

3000010002 03-27-2008 10539081884

3000010004 03-27-2008 10539081884

2525

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
10/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
67 FUSKIE LANE
DAUFUSKIE ISLAND SC 29915

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FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	26.79	LAST STATEMENT 09/28/12	26.79
AVG AVAILABLE BALANCE	26.79	CREDITS	.00
AVERAGE BALANCE	26.79	DEBITS	.00
		THIS STATEMENT 10/31/12	26.79

- END OF STATEMENT -

ROA_2445

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
09/28/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 08/31/12	57.32
MINIMUM BALANCE	26.79	CREDITS .00
AVG AVAILABLE BALANCE	36.60	1 DEBITS 30.53
AVERAGE BALANCE	36.60	THIS STATEMENT 09/28/12 26.79

DESCRIPTION	DATE	AMOUNT
54771 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	09/10	30.53
15:34		

DAILY BALANCE	
DATE.....BALANCE	DATE.....BALANCE
09/10 26.79	

- END OF STATEMENT -

2527

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
08/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	57.32	LAST STATEMENT 07/31/12	157.32
AVG AVAILABLE BALANCE	57.32	CREDITS	.00
AVERAGE BALANCE	57.32	1 DEBITS	100.00
		THIS STATEMENT 08/31/12	57.32

DESCRIPTION	OTHER DEBITS	DATE	AMOUNT
3M CARD ONLINE PMT CKF [REDACTED]		08/01	100.00

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
08/01	57.32				

- END OF STATEMENT -

ROA_2447

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
07/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 06/29/12	157.32
MINIMUM BALANCE	157.32	CREDITS .00
AVG AVAILABLE BALANCE	157.32	DEBITS .00
AVERAGE BALANCE	157.32	THIS STATEMENT 07/31/12 157.32

- END OF STATEMENT -

2529

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
06/29/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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1

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FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 05/31/12	2.61
MINIMUM BALANCE	2.61	1 CREDITS	2,584.00
AVG AVAILABLE BALANCE	494.06	7 DEBITS	2,429.29
AVERAGE BALANCE	494.06	THIS STATEMENT 06/29/12	157.32

----- OTHER CREDITS -----

DESCRIPTION	DATE	AMOUNT
012383 WEB BANKING TRANSFER FROM FREE BUSINESS [REDACTED] 6:37	06/05	2,584.00

----- CHECKS -----

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
[REDACTED]	06/12	250.00	[REDACTED]	06/15	200.00			

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
131636 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 19:24	06/06	700.00
127769 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 19:42	06/07	50.00
127450 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 19:38	06/07	600.00
016152 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 8:23	06/11	200.00
7Z WIRELESS VE E CHECK 0615305	06/13	429.29

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
06/05	2,586.61	06/11	1,036.61	06/15	157.32
06/06	1,886.61	06/12	786.61		
06/07	1,236.61	06/13	357.32		

- END OF STATEMENT -

ROA_2449

2530

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
05/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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0
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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 04/30/12	2.61
MINIMUM BALANCE	2.61 CREDITS	.00
AVG AVAILABLE BALANCE	2.61 DEBITS	.00
AVERAGE BALANCE	2.61 THIS STATEMENT 05/31/12	2.61

- END OF STATEMENT -

ROA 2450

2531

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
04/30/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	2.61	LAST STATEMENT 03/30/12	42.61
AVG AVAILABLE BALANCE	14.22	CREDITS	.00
AVERAGE BALANCE	14.22	1 DEBITS	40.00
		THIS STATEMENT 04/30/12	2.61

DESCRIPTION	DATE	AMOUNT
006547 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	04/09	40.00
7:35		

----- DAILY BALANCE -----	
DATE.....	BALANCE
04/09	2.61

- END OF STATEMENT -

ROA_2451

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
03/30/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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1

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FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 02/29/12	15.99
MINIMUM BALANCE	15.99	1 CREDITS	1,500.00
AVG AVAILABLE BALANCE	341.63	2 DEBITS	1,473.38
AVERAGE BALANCE	341.63	THIS STATEMENT 03/30/12	42.61

----- DEPOSITS -----

REF #.....	DATE.....	AMOUNT	REF #.....	DATE.....	AMOUNT	REF #.....	DATE.....	AMOUNT
	03/13	1,500.00						

----- CHECKS -----

CHECK #..	DATE.....	AMOUNT	CHECK #..	DATE.....	AMOUNT	CHECK #..	DATE.....	AMOUNT
7059	03/19	1,423.38						

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
42660 WEB BANKING TRANSFER TO FREE BUSINESS, [REDACTED] 10:10	03/28	50.00

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
3/13	1,515.99	03/19	92.61	03/28	42.61

- END OF STATEMENT -

2533

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
02/29/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 01/31/12	25.99
MINIMUM BALANCE	15.99	CREDITS .00
AVG AVAILABLE BALANCE	20.47	1 DEBITS 10.00
AVERAGE BALANCE	20.47	THIS STATEMENT 02/29/12 15.99

DESCRIPTION	DATE	AMOUNT
- - - - - OTHER DEBITS - - - - -		
007436 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	02/14	10.00
6:53		

- - - - - DAILY BALANCE - - - - -	
DATE.....BALANCE	DATE.....BALANCE
02/14 15.99	

- END OF STATEMENT -

ROA_2453

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
01/31/2012

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	25.99	LAST STATEMENT 12/30/11	35.99
AVG AVAILABLE BALANCE	34.11	CREDITS	.00
AVERAGE BALANCE	34.11	1 DEBITS	10.00
		THIS STATEMENT 01/31/12	25.99

DESCRIPTION	DATE	AMOUNT
013319 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	01/26	10.00
7:18		

DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE
01/26 25.99		

- END OF STATEMENT -

2535

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
12/30/2011

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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=====

BEGINNING FEBRUARY 1, 2012, A FEW OF THE FEES RELATED TO YOUR ACCOUNTS
ARE CHANGING. FOR YOUR CONVENIENCE, WE'VE ENCLOSED A BROCHURE
HIGHLIGHTING THOSE CHANGES.

=====

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 11/30/11	35.99
MINIMUM BALANCE	35.99	CREDITS	.00
AVG AVAILABLE BALANCE	35.99	DEBITS	.00
AVERAGE BALANCE	35.99	THIS STATEMENT 12/30/11	35.99

- END OF STATEMENT -

ROA_2455

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
11/30/2011

TELEPHONE: 800-277-2175

SILVER OAK LAND TRUST VII LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

30
0
0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

	LAST STATEMENT 11/06/11	35.99
MINIMUM BALANCE	35.99	CREDITS .00
VG AVAILABLE BALANCE	35.99	DEBITS .00
AVERAGE BALANCE	35.99	THIS STATEMENT 11/30/11 35.99

- END OF STATEMENT -

2537

ECSWeb

Page 1 of 2

Date 11/06/11 Page 1
Primary Account
Enclosures

Silver Oak Lead Trust VII, LLC
PO Box 22827
Hilton Head Island SC 29925-2827

CHECKING ACCOUNT

Business Checking		Number of Enclosures	0
Account Number		Statement Dates	11/01/11 thru 11/06/11
Previous Balance	35.99	Statement Dates	6
Deposits/Credits	.00	Average Ledger	35.99
Checks/Debits	.00	Average Collected	35.99
Total Fees	.00		
Interest Paid	.00		
Current Balance	35.99		

Date 10/31/11
Primary Account
Enclosures

Page 1

Silver Oak Land Trust VII, LLC
PO Box 22827
Hilton Head Island SC 29925-2827

CHECKING ACCOUNT

Business Checking		Number of Enclosures	0
Account Number		Statement Dates	10/03/11 thru 10/31/11
Previous Balance	35.99	Statement Dates	29
Deposits/Credits	.00	Average Ledger	35.99
Checks/Debits	.00	Average Collected	35.95
Total Fees	.00		
Interest Paid	.00		
Current Balance	35.99		

Date 4/30/09 Page 1
 Primary Account
 Enclosures

Silver Oak Land Trust V11, LLC
 P O Box 22827
 Hilton Head Island SC 29925

CHECKING ACCOUNT

Business Checking		Number of Enclosures	0
Account Number		Statement Dates	4/01/09 thru 4/30/09
Previous Balance	121,139.98	Statement Dates	30
2 Deposits/Credits	94,826.50	Average Ledger	130,536.55
1 Checks/Debits	145.12	Average Collected	130,536.55
Total Fees	.00		
Interest Paid	.00		
Current Balance	215,831.36		

Date	Description	Amount	Balance
4/13	BUS PROD HEBB	145.12-	120,994.86
	CCD 99290684135001		
4/28	Wire Transfer Credit	47,418.25	168,413.11
4/28	Wire Transfer Credit	47,418.25	215,831.36

Date 3/31/09 Page 1
 Primary Account
 Enclosures

Silver Oak Land Trust VII, LLC
 P O Box 12627
 Hilton Head Island SC 29925

CHECKING ACCOUNT

Business Checking		Number of Enclosures	1
Account Number		Statement Dates	3/02/09 thru 3/31/09
Previous Balance	10.00	Statement Dates	3/02/09 thru 3/31/09
3 Deposits/Credits	146,996.59	Average Ledger	69,242.24
2 Checks/Debits	25,866.61	Average Collected	67,661.63
Total Fees	.00		
Interest Paid	.00		
Current Balance	121,139.98		

Date	Description	Amount	Balance
3/16	Deposit	47,418.25	47,428.25
3/17	Wire Transfer Credit	49,789.17	97,217.42
3/20	Deposit	49,789.17	147,006.59
3/25	CHK ORDERS HARLAND CLARKE	27 61-	146,978.98
	PPD		
3/31	Check 9999	25,839.00-	121,139.98

Date	Check #	Amount
3/31	9999	25,839.00

BankMeridian
P.O. Box 22827
HHS SC - 29925
DATE 05-26-09
NAME SOLT VII
ACCOUNT NUMBER [REDACTED]
CHECKING DEPOSIT
47,418.25
BY [REDACTED]
\$ 47,418.25
15145=001117

03/16/2009 0 203020039012 47418.25

47418.25
TOTAL
CHECKS
DEPOSIT
[REDACTED]

CHECKS
ADVISE OF CREDIT
BankMeridian TRAN CODE 116 ACCOUNT NUMBER [REDACTED]
DATE 3/17/09
APPROVED BY [REDACTED]
WE CREDIT YOUR ACCOUNT AS FOLLOWS
incoming wire
49789.17
TOTAL AMOUNT
\$ 49789.17
Silver Oak Land Trust VII
45 Perchem Lane
HHS, SC

03/17/2009 0 2 [REDACTED] 49789.17

49789.17
[REDACTED]

DEPOSIT TICKET
DATE 3-21-09
BANKMERIDIAN, NA
\$ 49789.17
\$ 49789.17

03/20/2009 0 203020039012 49789.17

[REDACTED]

CHECKS
ADVISE OF CREDIT
BankMeridian TRAN CODE 116 ACCOUNT NUMBER [REDACTED]
DATE 4-28-09
APPROVED BY [REDACTED]
WE CREDIT YOUR ACCOUNT AS FOLLOWS
incoming wire transfer
47,418.25
TOTAL AMOUNT
\$ 47,418.25
Silver Oak Land VII
P.O. Box 22827
Hilton Head, SC 29925

04/28/2009 0 203020039012 47418.25

[REDACTED]

CHECKS
ADVISE OF CREDIT
BankMeridian TRAN CODE 116 ACCOUNT NUMBER [REDACTED]
DATE 4-28-09
APPROVED BY [REDACTED]
WE CREDIT YOUR ACCOUNT AS FOLLOWS
incoming wire transfer
47,418.25
TOTAL AMOUNT
\$ 47,418.25
Silver Oak Land VII
P.O. Box 22827
Hilton Head, SC 29925

04/28/2009 0 [REDACTED] 47418.25

[REDACTED]

WELLS FARGO WELLS FARGO BANK, N.A.		CHECKING DEPOSIT	
DATE <u>3-13-12</u>	NAME <u>SOLT JH</u>	ACCOUNT NUMBER	
* <u>[REDACTED]</u>		AMOUNT \$	1500.00
NO NEW ORCHARD STREET NEW YORK 15555-0000		009	

DATE	AMOUNT	DEPOSIT	BALANCE
03/13/12	1500.00		
TOTAL			

03/13/2012 0 \$1,500.00

03/13/2012 0 \$1,500.00

2543

ECS Web

Page 1 of 1

DATE <u>3-16-09</u> PAY TO THE ORDER OF <u>Crescent Resources, LLC</u> \$ <u>25,839.00</u> <u>Twenty-five Thousand Eight Hundred Thirty Nine and 00/100</u> DOLLARS BANKMERIDIAN, NA	000000011479 PAY TO THE ORDER OF BANK OF AMERICA FOR DEPOSIT ONLY TO CRESSENT RESOURCES, LLC
--	--

 SILVER OAK LAND TRUST VIL, LLC P.O. BOX 81237 ALBUQUERQUE, NM 87123-0123		ALBUQUERQUE, N.M. 87123-0123	06/15/12
PAY TO THE ORDER OF TWO THOUSAND DOLLARS	\$ 2,000.00	DOLLARS	

06/15/2012 - [REDACTED] - \$200.00

 SILVER OAK LAND TRUST VIL, LLC P.O. BOX 81237 ALBUQUERQUE, NM 87123-0123		ALBUQUERQUE, N.M. 87123-0123	06/15/12
PAY TO THE ORDER OF TWO HUNDRED DOLLARS	\$ 200.00	DOLLARS	

06/15/2012 - [REDACTED] - \$200.00

 SILVER OAK LAND TRUST VIL, LLC P.O. BOX 81237 ALBUQUERQUE, NM 87123-0123		ALBUQUERQUE, N.M. 87123-0123	06/12/12
PAY TO THE ORDER OF ONE THOUSAND FOUR HUNDRED THIRTY THREE AND 38/100	\$ 1,433.38	DOLLARS	

06/12/2012 - [REDACTED] - \$250.00

 SILVER OAK LAND TRUST VIL, LLC P.O. BOX 81237 ALBUQUERQUE, NM 87123-0123		ALBUQUERQUE, N.M. 87123-0123	03/19/12
PAY TO THE ORDER OF ONE THOUSAND FOUR HUNDRED THIRTY THREE AND 38/100	\$ 1,423.38	DOLLARS	

03/19/2012 - [REDACTED] - \$1,423.38

2545

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
10/31/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
4 LOGGERHEAD COURT
HILTON HEAD ISLAND SC 29926

30
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FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 09/28/12	16.38
MINIMUM BALANCE	16.38	2 CREDITS	2,444.00
AVG AVAILABLE BALANCE	1,232.19	1 DEBITS	9.74
AVERAGE BALANCE	1,277.64	THIS STATEMENT 10/31/12	2,450.64

----- DEPOSITS -----

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	10/18	1,500.00						

----- OTHER CREDITS -----

DESCRIPTION	DATE	AMOUNT
FSA TREAS 310 MISC PAY [REDACTED]	10/10	944.00

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
PROGRESSENGYCARO DRAFTS [REDACTED]	10/17	9.74

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
10/10	960.38	10/17	950.64	10/18	2,450.64

- END OF STATEMENT -

ROA_2465

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
09/28/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
4 LOGGERHEAD COURT
HILTON HEAD ISLAND SC 29926

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=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 08/31/12	26.12
MINIMUM BALANCE	16.38	CREDITS	.00
AVG AVAILABLE BALANCE	22.64	1 DEBITS	9.74
AVERAGE BALANCE	22.64	THIS STATEMENT 09/28/12	16.38

- - - - - OTHER DEBITS - - - - -		DATE	AMOUNT
DESCRIPTION			
PROGRESSENGYCARO DRAFTS [REDACTED]		09/19	9.74

- - - - - DAILY BALANCE - - - - -		DATE	AMOUNT
DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE	
09/19 16.38			

- END OF STATEMENT -

2547

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
08/31/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
4 LOGGERHEAD COURT
HILTON HEAD ISLAND SC 29926

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0

=====

FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 07/31/12	35.86
MINIMUM BALANCE	26.12	CREDITS	.00
AVG AVAILABLE BALANCE	32.08	1 DEBITS	9.74
AVERAGE BALANCE	32.08	THIS STATEMENT 08/31/12	26.12

DESCRIPTION	DATE	AMOUNT
PROGRESSENGYCARO DRAFTS [REDACTED]	08/20	9.74

----- DAILY BALANCE -----	
DATE.....BALANCE	DATE.....BALANCE
08/20 26.12	

- END OF STATEMENT -

ROA_2467

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
07/31/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

=====

		LAST STATEMENT 06/29/12	.71
MINIMUM BALANCE	.71	2 CREDITS	1,410.00
AVG AVAILABLE BALANCE	-440.45	2 DEBITS	1,374.85
AVERAGE BALANCE	440.45	THIS STATEMENT 07/31/12	35.86

----- OTHER CREDITS -----		
DESCRIPTION	DATE	AMOUNT
98759 WEB BANKING TRANSFER FROM FREE BUSINESS [REDACTED]	07/19	10.00
14:59		
24423 WEB BANKING TRANSFER FROM FREE BUSINESS [REDACTED]	07/20	1,400.00
16:37		

----- CHECKS -----					
CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT			
[REDACTED] 07/30 1,365.00					

----- OTHER DEBITS -----		
DESCRIPTION	DATE	AMOUNT
PROGRESSENGYCARO DRAFTS 4147281028532	07/19	9.85

----- DAILY BALANCE -----					
DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE			
7/19 .86	07/20 1,400.86	07/30 35.86			

- END OF STATEMENT -

2549

SCBT
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
06/29/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

=====

MINIMUM BALANCE	.71	LAST STATEMENT 05/31/12	19.45
AVG AVAILABLE BALANCE	80.71	1 CREDITS	200.00
AVERAGE BALANCE	80.71	3 DEBITS	218.74
		THIS STATEMENT 06/29/12	.71

DESCRIPTION	OTHER CREDITS	DATE	AMOUNT
016152 WEB BANKING TRANSFER FROM FREE BUSINESS	[REDACTED]	06/11	200.00
8:23			

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
[REDACTED]	06/21	194.00						

DESCRIPTION	OTHER DEBITS	DATE	AMOUNT
STOP PAYMENT FEE		06/18	15.00
PROGRESSENGYCARO DRAFTS	[REDACTED]	06/20	9.74

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
06/11	219.45	06/20	194.71		
06/18	204.45	06/21	.71		

- END OF STATEMENT -

ROA_2469

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
05/31/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

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		LAST STATEMENT 04/30/12	10.26
MINIMUM BALANCE	10.26	1 CREDITS	4,500.00
AVG AVAILABLE BALANCE	23.49	5 DEBITS	4,490.81
AVERAGE BALANCE	128.66	THIS STATEMENT 05/31/12	19.45

----- DEPOSITS -----

REF #.....DATE.....AMOUNT	REF #.....DATE.....AMOUNT	REF #.....DATE.....AMOUNT
05/16 4,500.00		

----- CHECKS -----

CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT
[REDACTED] 05/16 1,250.00		

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
DOMESTIC OUTGOING WIRE TRANSFER FEE 120733	05/17	20.00
OUTGOING WIRE TRANSFER [REDACTED]	05/17	3,190.07
PROGRESSENGYCARO DRAFTS [REDACTED]	05/18	9.74
027120 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED]	05/30	21.00
8:29		

----- DAILY BALANCE -----

DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE
05/16 3,260.26	05/18 40.45	
05/17 50.19	05/30 19.45	

- END OF STATEMENT -

2551

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
04/30/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

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	LAST STATEMENT 03/30/12	42.00
MINIMUM BALANCE	.26 2 CREDITS	13.00
AVG AVAILABLE BALANCE	17.20 3 DEBITS	44.74
AVERAGE BALANCE	17.20 THIS STATEMENT 04/30/12	10.26

DESCRIPTION	OTHER CREDITS	DATE	AMOUNT
028194 WEB BANKING TRANSFER FROM FREE BUSINESS [REDACTED] 9:03		04/10	3.00
006406 WEB BANKING TRANSFER FROM FREE BUSINESS [REDACTED] 7:16		04/23	10.00

DESCRIPTION	OTHER DEBITS	DATE	AMOUNT
018732 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 7:47		04/06	5.00
006371 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 7:32		04/09	30.00
PROGRESSENGYCARO DRAFTS [REDACTED]		04/18	9.74

DAILY BALANCE			
DATE.....	BALANCE	DATE.....	BALANCE
04/06	37.00	04/10	10.00
04/09	7.00	04/18	.26
		04/23	10.26

- END OF STATEMENT -

ROA_2471

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
03/30/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

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		LAST STATEMENT 02/29/12	147.60
MINIMUM BALANCE	29.03	1 CREDITS	1,750.00
AVG AVAILABLE BALANCE	285.53	7 DEBITS	1,855.60
AVERAGE BALANCE	285.53	THIS STATEMENT 03/30/12	42.00

----- DEPOSITS -----

REF #.....DATE.....AMOUNT	REF #.....DATE.....AMOUNT	REF #.....DATE.....AMOUNT
03/13 1,750.00		

----- CHECKS -----

CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT
[REDACTED] 03/16 1,500.00	[REDACTED] 03/20 167.29	[REDACTED] 03/08 45.00

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
114089 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 7:43	03/06	15.00
PRINT LD ONLINE PMT CKF658659614POS	03/07	58.57
PROGRESSENGYCARO DRAFTS 4147281028532	03/16	9.74
118474 WEB BANKING TRANSFER TO FREE BUSINESS [REDACTED] 7:15	03/30	60.00

----- DAILY BALANCE -----

DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE
03/06 132.60	03/13 1,779.03	03/30 42.00
03/07 74.03	03/16 269.29	
03/08 29.03	03/20 102.00	

- END OF STATEMENT -

2553

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
02/29/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX, 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

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		LAST STATEMENT 01/31/12	8.25
MINIMUM BALANCE	8.25	2 CREDITS	149.09
AVG AVAILABLE BALANCE	47.77	1 DEBITS	9.74
AVERAGE BALANCE	47.77	THIS STATEMENT 02/29/12	147.60

DESCRIPTION	DATE	AMOUNT
----- OTHER CREDITS -----		
007436 WEB BANKING TRANSFER FROM FREE BUSINESS [REDACTED]	02/14	10.00
6:53		
FSA TREAS 310 MISC PAY [REDACTED]	02/22	139.09

DESCRIPTION	DATE	AMOUNT
----- OTHER DEBITS -----		
PROGRESSENGYCARO DRAFTS 4147281028532	02/17	9.74

----- DAILY BALANCE -----	
DATE.....BALANCE	DATE.....BALANCE
02/14 18.25	02/17 8.51
	02/22 147.60

- END OF STATEMENT -

ROA_2473

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
01/31/2012

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

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	LAST STATEMENT 12/30/11	77.99
MINIMUM BALANCE	8.25 CREDITS	.00
AVG AVAILABLE BALANCE	30.60 2 DEBITS	69.74
AVERAGE BALANCE	30.60 THIS STATEMENT 01/31/12	8.25

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
01623 WEB BANKING TRANSFER TO FREE BUSINESS 3020029724 12:30	01/09	60.00
PROGRESSENGYCARO DRAFTS [REDACTED]	01/18	9.74

----- DAILY BALANCE -----

DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE
1/09 17.99	01/18 8.25	

- END OF STATEMENT -

2555

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
12/30/2011

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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BEGINNING FEBRUARY 1, 2012, A FEW OF THE FEES RELATED TO YOUR ACCOUNTS
ARE CHANGING. FOR YOUR CONVENIENCE, WE'VE ENCLOSED A BROCHURE
HIGHLIGHTING THOSE CHANGES.

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FREE BUSINESS ACCOUNT [REDACTED]

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MINIMUM BALANCE	77.99	LAST STATEMENT 11/30/11	145.66
AVG AVAILABLE BALANCE	1,952.59	1 CREDITS	25,000.00
AVERAGE BALANCE	2,785.93	6 DEBITS	25,067.67
		THIS STATEMENT 12/30/11	77.99

----- DEPOSITS -----

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	12/05	25,000.00						

----- CHECKS -----

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
[REDACTED]	12/13	691.25						

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
029555 WEB BANKING TRANSFER TO FREE BUSINESS 3020017679	12/08	24,000.00
9:00		
FIRST BANKCARD ONLINE PMT [REDACTED]	12/09	225.00
PROGRESSENGYCARO DRAFTS [REDACTED]	12/16	26.85
SPRINT LD ONLINE PMT [REDACTED]	12/23	39.53
DUKE POWER ONLINE PMT [REDACTED]	12/23	85.04

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
12/05	25,145.66	12/09	920.66	12/16	202.56
12/08	1,145.66	12/13	229.41	12/23	77.99

- END OF STATEMENT -

ROA_2475

SCBT, N.A.
P. O. BOX 100115
COLUMBIA SC 29202

001 00083 01
ACCOUNT: [REDACTED]

PAGE: 1
11/30/2011

TELEPHONE: 800-277-2175

SILVER OAK ENERGY LLC
PO BOX 22827
HILTON HEAD ISLAND SC 29925-2827

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FREE BUSINESS ACCOUNT [REDACTED]

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		LAST STATEMENT 11/06/11	806.66
MINIMUM BALANCE	145.66	CREDITS	.00
AVG AVAILABLE BALANCE	173.20	1 DEBITS	661.00
AVERAGE BALANCE	173.20	THIS STATEMENT 11/30/11	145.66

----- CHECKS -----

CHECK #..DATE.....	AMOUNT	CHECK #..DATE.....	AMOUNT	CHECK #..DATE.....	AMOUNT
[REDACTED] 11/08	661.00				

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
11/08	145.66				

- END OF STATEMENT -

Date 11/04/11 Page 1
 Primary Account [REDACTED]
 Enclosures

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925-2827

CHECKING ACCOUNT

Business Checking		Number of Enclosures	0
Account Number	[REDACTED]	Statement Dates	11/01/11 thru 11/06/11
Previous Balance	894.61	Statement Dates	8
Deposits/Credits	.00	Average Ledger	321.31
2 Checks/Debits	87.95	Average Collected	821.31
Total Fees	.00		
Interest Paid	.00		
Current Balance	806.66		

Date	Description	Activity In Date Order	Amount	Balance
11/02	CONV FEE	SIZBEL	12.95-	811.66
	WEB			
11/02	ELECTRIC	PROGRESSENRGYCAR	75.00-	806.66
	WEB			

Date 10/31/11 Page 1
 Primary Account
 Enclosures

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925-2827

CHECKING-ACCOUNT

Business Checking		Number of Enclosures	0
Account Number		Statement Dates	10/03/11 thru 10/31/11
Previous Balance	23.61	Statement Dates	29
1 Deposits/Credits	871.00	Average Ledger	594.26
Checks/Debits	.00	Average Collected	594.26
Total Fees	.00		
Interest Paid	.00		
Current Balance	894.61		

-----Activity In Date Order-----

Date	Description	Amount	Balance
10/13	dtsc PAY TSA TREAS 110	871.00	894.61
	CCD		

Date 12/31/09 Page 1
 Primary Account 9
 Enclosures

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925

CHECKING ACCOUNT

To comply with the Unlawful Internet Gambling Act, transactions from proceeds in connection with unlawful internet gambling are restricted & will not be processed.

Business Checking		Number of Enclosures	9
Account Number		Statement Dates	12/01/09 thru 12/31/09
Previous Balance	43.01	Statement Dates	31
2 Deposits/Credits	49,690.50	Average Ledger	24,611.05
67 Checks/Debits	31,034.14	Average Collected	29,003.22
Total Fees	.00		
Interest Paid	.00		
Current Balance	18,679.37		

-----Activity In Date Order-----			
Date	Description	Amount	Balance
12/08	Deposit	49,690.50	49,730.51
12/09	ATM Service Charge Reversal	3.00	49,733.51
12/09	ATM W/D 12/09/09	123.00-	49,610.51
	BRANCH BANKING AND TRUST HILTON HEAD SC		
	Card#		
12/09	Transf to Management	2,500.00-	47,110.51
	Confirmation number		
12/10	DBT CRD 12/10/09	24.30-	47,086.21
	KINGSTON DEP #3630 RADESVILLE SC		
	Card#		
12/10	Transf to Management	1,000.00-	46,086.21
	Confirmation number		
12/11	DBT CRD 12/10/09	41.70-	46,044.51
	THE HOME DEPOT 1115 BLUFFTON SC		
	Card#		
12/14	DBT CRD 12/12/09	320.96-	45,723.55
	BEST BUY MMT 00006643		

Date 12/31/09
Primary Account
Enclosures

Page 2
[REDACTED]

Silver Oak Energy LLC
PO Box 22827
Hilton Head Island SC 29925

Business Checking [REDACTED] (Continued)

Date	Description	Activity In Date Order	Amount	Balance
	BLUFFTON SC			
	Card# [REDACTED]			
12/14 DBT	CRD [REDACTED] 12/13/09 [REDACTED]		210.05-	45,513.50
	REDFISH			
	HILTON HEAD SC			
	Card# [REDACTED]			
12/14 DBT	CRD 0700 12/12/09 [REDACTED]		164.70-	45,348.80
	WALGREENS 89487			
	COLUMBIA SC			
	Card# [REDACTED]			
12/14 DBT	CRD [REDACTED] 12/13/09 [REDACTED]		103.23-	45,245.57
	RESTORACE TAMS NORTHEAS			
	COLUMBIA SC			
	Card# [REDACTED]			
12/14 DBT	CRD [REDACTED] 12/13/09 [REDACTED]		91.33-	45,154.24
	STARLES 0010787			
	HILTON HEAD ISC			
	Card# [REDACTED]			
12/14 DBT	CRD [REDACTED] 12/13/09 [REDACTED]		73.00-	45,081.24
	CARMAEDAS 49108			
	COLUMBIA SC			
	Card# [REDACTED]			
12/14 DBT	CRD [REDACTED] 12/12/09 [REDACTED]		54.85-	45,026.39
	EXXONMOBIL 42314761			
	ORANGEBURG SC			
	Card# [REDACTED]			
12/14 DBT	CRD 0611 12/12/09 [REDACTED]		37.44-	44,988.95
	WALGREENS 89487			
	COLUMBIA SC			
	Card# [REDACTED]			
12/14 DBT	CRD [REDACTED] 12/11/09 [REDACTED]		37.00-	44,951.95
	ENZO ITALIAN RESTAURANT			
	903-8153696 SC			
	Card# [REDACTED]			

Date 12/31/09
Primary Account
Enclosures

Page 3
9

Silver Oak Energy LLC
PO Box 21827
Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Activity In	Date Order	Amount	Balance
12/14 DBT	CRD 12/13/09			33.00-	44,518.55
	FOUR MOONS				
	ORANGEBURG SC				
	Card#				
12/14 DBT	CRD 12/13/09			28.00-	44,890.95
	REILLYS BAR & GRILL SO				
	HILTON HEAD ISC				
	Card#				
12/14 Check				4,500.00-	40,390.95
12/14 Check				300.00-	40,090.95
12/15 DBT	CRD 12/14/09			132.28-	39,958.67
	LOVES #01521*				
	BEAUFORT SC				
	Card#				
12/15 DBT	CRD 12/15/09			125.95-	39,832.72
	PUBLICX #45				
	BLAFTON SC				
	Card#				
12/15 DBT	CRD 12/14/09			25.11-	39,807.61
	CAROLINA WINGS AND RIB				
	PORT ROYAL SC				
	Card#				
12/15 Check				176.00-	39,631.61
12/15 Check				133.00-	39,498.61
12/16 DBT	CRD 12/16/09			188.80-	39,309.81
	STEVENHAGEN.COM				
	888-762-1336 NY				
	Card#				
12/16 DBT	CRD 12/16/09			118.21-	39,191.60
	FACTS EAST #0129				
	800-289-6229 OH				
	Card#				
12/16 DBT	CRD 12/16/09			52.18-	39,139.42
	STARBUCKS USA 00082925				

Date 12/31/09
Primary Account
Enclosures

Page 4
5

Silver Oak Energy LLC
PO Box 22827
Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
12/16 DBT	HILTON HEAD SC Card# [REDACTED] 12/15/09 [REDACTED]	23.69-	39,116.73
12/16 DBT	ATLANTIAN GARDENS BEAUFORT SC Card# [REDACTED] 12/16/09 [REDACTED]	22.86-	39,092.87
12/16 DBT	O.C. VELICH ROAD IM, INC HARDESVILLE SC Card# [REDACTED] 12/16/09 [REDACTED]	3.82-	39,089.05
12/16 DBT	SUNWAY 00244350 HILTON HEAD SC Card# [REDACTED]	5,000.00-	34,089.05
12/16 Transf to Management	Confirmation number [REDACTED]	1,550.00-	32,539.05
12/16 Check	[REDACTED]	177.26-	32,361.79
12/17 DBT	CRD [REDACTED] 12/16/09 [REDACTED] B&T GROWER SUPPLY 315-748-6487 LA Card# [REDACTED]	62.52-	32,299.27
12/17 DBT	CRD [REDACTED] 12/16/09 [REDACTED] SHELL OIL 53939500028 HILTON HEAD ISC Card# [REDACTED]	50.69-	32,248.58
12/17 DBT	CRD [REDACTED] 12/17/09 [REDACTED] J. C. CASH CO. 000006593 888-2374535 KS Card# [REDACTED]	41.88-	32,206.70
12/17 Transf to SOLT I	Confirmation number [REDACTED]	3,000.00-	29,206.70
12/17 Check	[REDACTED]	253.65-	28,953.05
12/18 DBT	CRD [REDACTED] 12/17/09 [REDACTED] BARCARD TIRE CO INC	761.28-	28,191.77

Date 12/31/09
Primary Account
Enclosures

Page 5
9

Silver Oak Energy LLC
PO Box 22827
Hilton Head Island SC 29925

Business Checking

(Continued)

Date	Description	Activity In Date Order	Amount	Balance
	BEAUFORT SC			
	Card#			
12/18 DBT	CRD 12/17/09		175.00-	28,016.77
	SCDOT CIP SOIL WALK-IN			
	843-342-6718 SC			
	Card# 5873			
12/18 DBT	CRD 12/18/09		81.27-	27,935.50
	WESTBURY ACE HARDWARE			
	WALTERBORO SC			
	Card# 5873			
12/19 DBT	CRD 12/17/09		55.00-	27,580.50
	ATHEITIAN GARDENS			
	BEAUFORT SC			
	Card#			
12/21 DBT	CRD 12/18/09		145.00-	27,735.50
	FOUR MOONS			
	ORANGEBURG SC			
	Card#			
12/21 DBT	CRD 12/20/09		75.60-	27,659.90
	FAIRFIELD INN ORANGEBURG			
	ORANGEBURG SC			
	Card#			
12/21 DBT	CRD 12/20/09		75.00-	27,584.90
	11TH STREET DOCKSIDE			
	PORT ROYAL SC			
	Card#			
12/21 Debit			67.52-	27,517.38
12/21 DBT	CRD 12/20/09		50.00-	27,467.38
	COMMON APP FAKE FOREST UN			
	800-3223674 MA			
	Card#			
12/21 DBT	CRD 12/20/09		50.00-	27,417.38
	COMMON APP - VANDERBILT			

Date 12/31/09
Primary Account
Enclosures

Page 6
5

Silver Oak Energy LLC
PO Box 22127
Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
	800-556684 VA		
	Card#		
12/21 DBT	CRD 12/18/09	37.42-	27,379.96
	SHELL OIL 53991400076		
	WALTERBORO SC		
	Card#		
12/21 DBT	CRD 12/19/09	34.09-	27,345.87
	LOWES 601521*		
	BEAUFORT SC		
	Card#		
12/21 DBT	CRD 12/19/09	25.00-	27,320.87
	EL NANKHITO #2 RIDGELAN		
	RIDGELAND SC		
	Card#		
12/21 DBT	CRD 12/21/09	24.51-	27,296.36
	PUBLIX #700		
	HILTON HEAD SC		
	Card#		
12/21 DBT	CRD 12/18/09	18.00-	27,278.36
	DUNES B&Q		
	WALTERBORO SC		
	Card#		
12/21 DBT	CRD 12/20/09	12.39-	27,265.97
	FIVE GUYS--SC # 04		
	BLUFFTON SC		
	Card#		
12/22 DBT	CRD 12/22/09	172.17-	27,093.80
	INTERNATIONAL GREENHOUSE		
	217-4430600 IL		
	Card# 9873		
12/22 DBT	CRD 12/21/09	57.13-	27,036.67
	SHELL OIL 57642559000		
	BLUFFTON SC		
	Card#		

Date 12/31/09 Page 7
 Primary Account
 Enclosures

Silver Oak Energy LLC
 PO Box 12827
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
12/22 DBT CRD 12/12/09	ITS GALEK 10 KC HILTON HEAD SC Cards	13.00-	27,023.67
12/22 Bill paid-FIRST NATIONAL BANK	Confirmation number	286.40-	26,737.27
12/22 Bill paid-STAPLES	Confirmation number	253.66-	26,483.61
12/22 Bill paid-SHELL OIL	Confirmation number	236.73-	26,246.88
12/23 DBT CRD 12/22/09	THE GOLDSMITH SHOP INC HILTON HEAD SC Cards	508.25-	25,738.63
12/23 DBT CRD 12/22/09	LOWES #01521* BEAUFORT SC Cards	11.75-	25,726.88
12/24 DBT CRD 12/23/09	HOFFMAN NURSERY INC 919-4796620 NC Cards 9873	1,163.30-	24,563.38
12/24 DBT CRD 12/24/09	INTERNATIONAL GREENHOUSE 217-4430600 IL Cards	260.88-	24,302.50
12/24 DBT CRD 12/24/09	STAPLES 00109707 HILTON HEAD SC Cards	164.85-	24,137.65
12/24 DBT CRD 12/24/09	OFF FIFTH #732 HILTON HEAD SC Cards	100.00-	24,037.65

Date 12/31/09 Page 8
Primary Account
Enclosures

Silver Oak Energy LLC
PO Box 22827
Hilton Head Island SC 29925

Business Checking 203020039392 (Continued)

Date	Description	Activity in Date	Amount	Balance
12/24 DBT	CRD [REDACTED] 12/23/09 [REDACTED] ATLANTIAN GARDENS BEAUFORT SC Card# [REDACTED]		77.00-	23,960.65
12/24 Check	[REDACTED]		98.44-	23,862.21
12/29 DBT	CRD [REDACTED] 12/24/09 [REDACTED] LOWES #01521* BEAUFORT SC Card# [REDACTED]		110.65-	23,751.56
12/28 POS	DEX [REDACTED] 12/28/09 [REDACTED] THE HOME DEPOT 1115 BLUFFTON SC Card# 9873		107.62-	23,643.94
12/28 DBT	CRD [REDACTED] 12/24/09 [REDACTED] THE CRAFTY CRAB ON JARVI HILTON HEAD ISC Card# 9873		79.00-	23,564.94
12/28 DBT	CRD [REDACTED] 12/27/09 [REDACTED] STAPLES 00103381 HILTON HEAD ISC Card# 9873		59.25-	23,505.69
12/28 DBT	CRD [REDACTED] 12/26/09 [REDACTED] WALGREENS #4913 HILTON HEAD SC Card# [REDACTED]		56.61-	23,449.08
12/28 DBT	CRD [REDACTED] 12/27/09 [REDACTED] COLLEGEBOARD*SHF OULN. 212-713-7789 VA Card# 9873		51.50-	23,397.58
12/28 DBT	CRD [REDACTED] 12/28/09 [REDACTED] SHELL OIL 5393960032 HILTON HEAD ISC Card# 9873		51.50-	23,346.08
12/28 DBT	CRD [REDACTED] 12/28/09 [REDACTED] THE OFFICE SHOPS BAR		35.00-	23,307.08

2567

ECSWeb

Page 1 of 2

Date 12/31/09 Page 9
 Primary Account
 Enclosures

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Activity In Date Order	Amount	Balance
	BEAUFORT SC			
	Card#			
12/28 DBT	CAD 12/27/09		19.50-	23,297.58
	SEASTYLE CINEMAS			
	BLUFFTON SC			
	Card#			
12/28 DBT	CSD 12/24/09		19.00-	23,268.58
	ISLAND CAR WASH			
	HILTON HEAD ISC			
	Card#			
12/28 DBT	CAD 12/28/09		1.42-	23,267.16
	USPS 45396195525301045			
	HILTON HEAD ISC			
	Card#			
12/29 Transf to Management	Confirmation number		2,500.00-	20,767.16
12/30 DBT	CAD 12/30/09		545.77-	20,220.39
	WJ GRAINGER			
	877-2022594 SC			
	Card#			
12/30 DBT	CSD 12/30/09		317.40-	19,902.99
	USKEYWAYS			
	PHOENIX AZ			
	Card#			
12/30 DBT	CAD 12/30/09		207.87-	19,695.12
	WJ GRAINGER			
	877-2022594 SC			
	Card#			
12/30 DBT	CAD 12/30/09		110.00-	19,585.12
	RENDEZ-VOUS CAFE			
	HILTON HEAD SC			
	Card#			
12/30 DBT	CSD 12/30/09		79.12-	19,506.00
	HALGREENS #4813			

Date 12/31/09 Page 10
 Primary Account [REDACTED]
 Enclosures 3

Silver Oak Energy LLC
 PO Box 22927
 Hilton Head Island SC 29925

Business Checking [REDACTED] (Continued)

Date	Description	Activity In	Date Order	Amount	Balance
	HILTON HEAD SC				
	Card# [REDACTED]				
12/30	DBI CRD [REDACTED]	12/29/09		60.00-	19,466.00
	U OF IL CYLINE PAYMENT				
	217-2449394 IL				
	Card# [REDACTED]				
12/30	DBI CRD [REDACTED]	12/30/09		10.68-	19,455.32
	DRY CLEAN USA #215				
	HILTON HEAD SC				
	Card# [REDACTED]				
12/31	DBI CRD [REDACTED]	12/31/09		775.95-	18,679.37
	INTERNATIONAL GREENHOUS				
	217-4430600 IL				
	Card# [REDACTED]				

-----Check Register (* Denotes Non-Consecutive Check Number)-----

Date	Check #	Amount	Date	Check #	Amount
12/14	[REDACTED]	309.00	12/14	[REDACTED]	4,500.00
12/16	[REDACTED]	1,580.00	12/24	[REDACTED]	98.44
12/15	[REDACTED]	176.00	12/17	[REDACTED]	62.52
12/15	[REDACTED]	133.00	12/21	[REDACTED]	67.32
12/17	[REDACTED]	253.65			

Date 1/29/10 Page 1
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925

CHECKING ACCOUNT

Business Checking		Number of Enclosures	14
Account Number		Statement Dates	1/01/10 thru 1/31/10
Previous Balance	18,679.37	Statement Dates	31
1 Deposits/Credits	2.00	Average Ledger	3,833.13
90 Checks/Debits	18,359.34	Average Collected	3,833.13
Total Fees	.00		
Interest Paid	.00		
Current Balance	322.03		

Date	Description	Amount	Balance
1/04 DBT CRD	01/03/10	53.59-	18,625.78
	SHELL OIL 57542559000		
	BLUFFTON SC		
	Card#		
1/04 DBT CRD	01/01/10	50.00-	18,575.78
	STARBUCKS USA 00082525		
	HILTON HEAD SC		
	Card#		
1/04 DBT CRD	12/31/09	40.00-	18,535.78
	MID ISLAND PRIMARY 2ND		
	HILTON HEAD SC		
	Card#		
1/04 DBT CRD	01/02/10	24.00-	18,511.78
	CAROLINA WIGGS AND RID		
	PORT ROYAL SC		
	Card#		
1/04 DBT CRD	01/01/10	17.91-	18,493.87
	CVS PHARMACY 87333 Q03		
	HILTON HEAD SC		
	Card#		
1/04 DBT CRD	01/04/10	14.46-	18,479.41
	BUNGER KING #1471		

Date 1/29/10 Page 2
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 23327
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Activity In Date Order	Amount	Balance
1/04	DST CRD 01/02/10		8.92-	18,470.49
	BEAUFORT SC			
	Card#			
1/05	Debit		586.80-	17,883.69
1/05	DST CRD 01/05/10		46.55-	17,837.14
	FW GRAINGER			
	877-2022564 SC			
	Card#			
1/05	DST CRD 01/05/10		17.20-	17,819.94
	FW GRAINGER			
	877-2022564 SC			
	Card#			
1/05	Transf to Management		2,500.00-	15,319.94
	Confirmation number			
1/06	PCS SVC T-MOBILE.COM		737.80-	14,582.14
	\WEB			
1/06	DST CRD 01/06/10		254.09-	14,328.05
	INTERNATIONAL GREENHOUSE			
	217-4410600 IL			
	Card#			
1/06	DST CRD 01/06/10		112.35-	14,215.70
	LESCO SC 0592			
	BLUTTON SC			
	Card#			
1/06	DST CRD 01/06/10		36.00-	14,179.70
	NETWORK SOLUTIONS, LLC			
	888-642-9675 VA			
	Card# 9173			
1/06	DST CRD 01/06/10		15.00-	14,164.70
	ATHLETIC GARDENS			

Date: 1/29/10
 Primary Account: 203020039392
 Enclosures: 14

Silver Oak Energy LLC
 PO Box 12827
 Hilton Head Island SC 29925

Business Checking 203020039392 (Continued)

Date	Description	Activity in Date Order	Amount	Balance
	BEAUFORT SC			
	Card#			
1/06	Check		1,256.00-	13,308.70
1/07	DBT CRD 01/06/10		100.00-	13,208.70
	GOLIS FAMILY JEWELERS			
	BLUFFTON SC			
	Card#			
1/07	DBT CRD 01/06/10		82.00-	13,126.70
	CARRASBAS #5168			
	COLUMBIA SC			
	Card#			
1/07	DBT CRD 01/06/10		20.00-	13,106.70
	GEORGIO'S			
	SAINI GEORGE SC			
	Card#			
1/07	Check		366.17-	12,740.53
1/08	DBT CRD 01/08/10		103.23-	12,637.30
	RESIDENCE INNS NORTHEND			
	COLUMBIA SC			
	Card#			
1/08	DBT CRD 01/07/10		73.46-	12,563.82
	LOWES #01521*			
	BEAUFORT SC			
	Card#			
1/08	DBT CRD 01/07/10		59.27-	12,504.55
	MI TIERRA MEXICAN REST			
	BEAUFORT SC			
	Card#			
1/08	DBT CRD 01/07/10		53.79-	12,450.76
	KROGER #499			
	BLUFFTON SC			
	Card#			
1/08	DBT CRD 01/08/10		20.17-	12,430.59
	FOUR MOONS			

Date 1/29/10
Primary Account
Enclosures

Page 4
14

Silver Oak Energy LLC
PO Box 22827
Hilton Head Island SC 29926

Business Checking (Continued)

Date	Description	Activity In Date Order	Amount	Balance
1/11	Debit	ORANGEBURG SC		
1/11	DST	CRD 01/09/10	200.00-	12,230.59
		WH GRANGER	79.88-	12,150.71
		877-1022594 SC		
1/11	DST	CRD 01/11/10	70.00-	12,080.71
		THE OLIVE GARDEN 0011767		
		CHUMPAIGN IL		
1/11	DST	CRD 01/09/10	61.25-	12,019.46
		SHELL OIL 53939600078		
		HILTON HEAD ISC		
1/11	DST	CRD 01/10/10	59.28-	11,960.18
		ATHENIAN GARDENS		
		BEAUFORT SC		
1/11	DST	CRD 01/11/10	50.00-	11,910.18
		UNCA ADMISSIONS INT		
		828-231-5109 NC		
1/11	DST	CRD 01/08/10	41.00-	11,869.18
		ATHENIAN GARDENS		
		BEAUFORT SC		
1/11	DST	CRD 01/10/10	14.17-	11,855.01
		ALVIN ORD'S SANDWICH		
		843-5240222 SC		
1/11	DST	CRD 01/10/10	7.00-	11,848.01
		ULTIMATE CAR WASH		

Date 1/29/10 Page 5
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 22527
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
1/11	Transf to Management Confirmation number	2,500.00-	9,348.01
1/11	Check	570.00-	8,778.01
1/12	DBT CRD 01/12/10 CVSPHARMACY #8883 Q03 CHAMPAIGN IL Card#	22.86-	8,754.15
1/12	DBT CRD 01/11/10 BUD BREWHOUSE 10210409 SAVANNAH GA Card# 9873	16.78-	8,737.37
1/14	DBT CRD 01/14/10 AVIS RENT-A-CAR 1 INDIANAPOLIS IN Card#	184.81-	8,552.56
1/14	DBT CRD 01/13/10 JIM GOULD RESTAURANT CHAMPAIGN IL Card#	130.81-	8,421.75
1/14	DBT CRD 01/14/10 IND CAMDEN 10048211460 INDIANAPOLIS IN Card#	22.31-	8,399.44
1/15	DBT CRD 01/15/10 FAIRFIELD INNS-CHAMPAIGN CHAMPAIGN IL Card# 9873	233.10-	8,166.34
1/15	DBT CRD 01/15/10 HILTON HILTON HEAD SC Card#	200.00-	7,966.34
1/15	DBT CRD 01/14/10 CLAUDE & GLI S BISTRO	55.00-	7,911.34

Date 1/29/10 Page 6
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 21827
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
1/15 DBT	HILTON HEAD SC Card# [REDACTED] CRD [REDACTED] 01/15/10 [REDACTED] WALGREENS #7652 BLUFFTON SC	39.36-	7,871.98
1/15 DBT	Card# [REDACTED] GRO [REDACTED] 01/14/10 [REDACTED] SAVANNAH AIRPORT COSTS SAVANNAH GA	32.00-	7,839.98
1/15 DBT	Card# [REDACTED] CRD 0439 01/15/10 [REDACTED] COLLEGEBOARD*SAT CHEN. 212-713-7789 VA	9.50-	7,830.48
1/15 DBT	Card# [REDACTED] CRD [REDACTED] 01/15/10 [REDACTED] FIVE GUYS--SC # 04 BLUFFTON SC	8.92-	7,821.56
1/19 Debit	Card# [REDACTED]	209.68-	7,611.69
1/19 DBT	CRD [REDACTED] 01/17/10 [REDACTED] LOWES #01521* BEAUFORT SC	117.36-	7,494.32
1/19 DBT	Card# [REDACTED] CRD [REDACTED] 01/18/10 [REDACTED] HARRIS YEETER HILTON HEAD SC	114.29-	7,380.03
1/19 DBT	Card# [REDACTED] CRD [REDACTED] 01/16/10 [REDACTED] PUBLIX #703 HILTON HEAD SC	86.48-	7,293.55
1/19 DBT	Card# [REDACTED] CRD [REDACTED] 01/17/10 [REDACTED] STAPLES 00111908	61.62-	7,231.73

Date 1/29/10 Page 1
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 22927
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Activity In Date Order	Amount	Balance
	BLUFFTON SC			
	Card#			
1/19 DBT	CRD 01/15/10		55.25-	7,126.48
	SELL OIL 24693220193			
	RIDGELAND SC			
	Card#			
1/19 DBT	CRD 01/16/10		50.00-	7,126.48
	CONAPP RICHMOND DRIV			
	703-9845308 MA			
	Card#			
1/19 DBT	CRD 01/18/10		50.00-	7,076.48
	STARBUCKS USA 00083428			
	HILTON HEAD SC			
	Card#			
1/19 DBT	CRD 01/19/10		46.99-	7,029.49
	SELL OIL 53901200043			
	BEAUFORT SC			
	Card#			
1/19 DBT	CRD 01/18/10		22.00-	7,007.49
	FRANKIE BONES RESTAURAN			
	HILTON HEAD SC			
	Card#			
1/19 DBT	CRD 01/17/10		16.22-	6,991.27
	MOE'S SOUTHWEST GRILL			
	BEAUFORT SC			
	Card#			
1/20 DBT	CRD 01/19/10		29.00-	6,962.27
	ATHEIAN GARDENS			
	BEAUFORT SC			
	Card#			
1/20 Check			472.44-	6,489.83
1/20 Check			165.00-	6,324.83
1/20 Check			76.94-	6,247.89
1/20 Check			25.44-	6,222.45

Date 1/29/10 Page 8
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
1/21 DBT C/D	01/21/10 USPS 45396195525301045 HILTON HEAD ISC Card#	39.60-	6,182.85
1/21 Check		81.88-	6,100.97
1/22 ATM Service Charge Reversal		2.00	6,102.97
1/22 ATM W/D	01/22/10 FNB WASSAW BLUFFTON SC Card#	82.00-	6,020.97
1/22 DBT C/D	01/21/10 CARRABBA'S 89110 HILTON HEAD ISC Card#	35.00-	5,985.97
1/22 DBT C/D	01/21/10 WATERS DRY CLEANING I PORT ROYAL SC Card# 9833	29.52-	5,956.05
1/22 DBT C/D	01/21/10 ATHEMIA GARDENS BEAUFORT SC Card#	29.00-	5,927.05
1/22 DBT C/D	01/22/10 BBI INTERNATIONAL 719-539-0300 CO Card#	24.95-	5,902.10
1/25 DBT C/D	01/23/10 PUBLIX 8473 HILTON HEAD SC Card# 9673	124.31-	5,777.73
1/25 DBT C/D	01/24/10 BARBARA JEAN'S RESTAUR BEAUFORT SC Card#	29.00-	5,748.73

2577

ECSWeb

Page 1 of 2

Date 1/29/10 Page 2
 Primary Account 203020039392
 Enclosures 14

Silver Oak Energy LLC
 PO box 12827
 Hilton Head Island SC 29925

Business Checking 203020039392 (Continued)

Date	Description	Amount	Balance
1/25 DBT	CRD [REDACTED] 01/25/10 [REDACTED] PUBLIX #700 HILTON HEAD SC Card# [REDACTED]	27.41-	5,721.32
1/25 DBT	CRD [REDACTED] 01/24/10 [REDACTED] ISLAND CAR WASH HILTON HEAD ISC Card# [REDACTED]	22.00-	5,699.32
1/25 DBT	CRD [REDACTED] 01/24/10 [REDACTED] FIVE GUYS-SC # 04 BLUFFTON SC Card# [REDACTED]	10.98-	5,688.34
1/25 Check	[REDACTED]	26.70-	5,661.64
1/26 DBT	CRD [REDACTED] 01/26/10 [REDACTED] BONEFISH #0504 COLUMBIA SC Card# [REDACTED]	210.00-	5,451.64
1/26 DBT	CRD [REDACTED] 01/26/10 [REDACTED] EXXONMOBIL 42311712 HARDEEVILLE SC Card# [REDACTED]	63.53-	5,388.11
1/26 DBT	CRD [REDACTED] 01/26/10 [REDACTED] QUINCY SUB #3744 WEST COLUMBIASC Card# [REDACTED]	8.96-	5,379.15
1/27 DBT	CRD [REDACTED] 01/27/10 [REDACTED] WATFLE MOOSE #00007708 WATERGARD SC Card# [REDACTED]	8.00-	5,371.15
1/27 Check	[REDACTED]	1.71-	5,369.44
1/28 DBT	CAD [REDACTED] 01/28/10 [REDACTED] BARNES&NOBLE.COM 800-843-2665 NJ Card# [REDACTED]	127.94-	5,241.50

ROA 2497

Date 1/29/10 Page 10
 Primary Account
 Enclosures 14

Silver Oak Energy LLC
 PO Box 22827
 Hilton Head Island SC 29925

Business Checking (Continued)

Date	Description	Amount	Balance
1/28 DBT CRD	01/28/10 [REDACTED] LONGHORN STEAKHOUSE TIFTON GA Card# [REDACTED]	110.00-	5,131.90
1/28 DBT CRD	01/28/10 [REDACTED] RESIDENCE INNS NORTHLEX COLUMBIA SC Card# [REDACTED]	103.23-	5,028.67
1/28 DBT CRD	01/27/10 [REDACTED] CARRABBA'S #6109 AUGUSTA GA Card# [REDACTED]	78.00-	4,950.67
1/28 DBT CRD	01/27/10 [REDACTED] GIRCHE K 05588 Q04 NORTH AUGUSTA SC Card# [REDACTED]	62.34-	4,888.33
1/28 DBT CRD	01/28/10 [REDACTED] BETWEEN THE BREAD MACON GA Card# [REDACTED]	24.00-	4,864.33
1/28 Check	9010	4,562.30-	322.03

Check Register (* Denotes Non-Consecutive Check Number)				
Date	Check #	Amount	Date	Check #
1/21	[REDACTED]	570.00	1/20	[REDACTED]
1/28	[REDACTED]	4,542.30	1/20	[REDACTED]
1/05	[REDACTED]	386.80	1/20	[REDACTED]
1/07	[REDACTED]	166.17	1/11	[REDACTED]
1/06	[REDACTED]	1,256.00	1/19	[REDACTED]
1/21	[REDACTED]	81.98	1/25	[REDACTED]
1/20	[REDACTED]	165.00	1/27	[REDACTED]

ECS Web

Page 1 of 1

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ECS Web

3/21/2013

100-443887-100

12/17/2009 9004 203020039392 253.65

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 12/15/2009

Pay TO THE ORDER OF Deer-Hat, LLC \$ 101.82

Pay Five and 02/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 12/15/2009

Pay TO THE ORDER OF Deer-Hat, LLC \$ 101.82

Pay Five and 02/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 12/29/2009

Pay TO THE ORDER OF Deer-Hat, LLC \$ 101.82

Pay Seven and 02/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 12/29/2009

Pay TO THE ORDER OF Deer-Hat, LLC \$ 101.82

Pay Seven and 02/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 12/15/2009

Pay TO THE ORDER OF Acornch Library/V \$ 101.82

Pay Eight and 42/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 12/15/2009

Pay TO THE ORDER OF Acornch Library/V \$ 101.82

Pay Eight and 42/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 10/26/10

Pay TO THE ORDER OF Deer-Hat, LLC \$ 101.82

Pay Hundred Eighty Six and 00/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 10/26/10

Pay TO THE ORDER OF Deer-Hat, LLC \$ 101.82

Pay Hundred Eighty Six and 00/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 11/27/10

Pay TO THE ORDER OF YCF, INC \$ 1,258.24

Pay One Thousand Two Hundred Fifty Eight and 00/100

SherOak SHERRILL OAK, LLC
P.O. BOX 1000
MADISON, AL 37055 SHERRILL OAK, LLC
07-418-125 11/27/10

Pay TO THE ORDER OF YCF, INC \$ 1,258.24

Pay One Thousand Two Hundred Fifty Eight and 00/100

SilverOak
SILVER OAK EXTRACT, LLC
P.O. BOX 1234
MOUNTAIN VIEW, TX 75151

BAKING POWDER, N.A.
07-01-1234 03/20/12

PAY TO THE ORDER OF **Southern Pine R, LLC** \$ 1000.00
Three Hundred Sixty-Six and 00/100 DOLLARS

0378 42614

SilverOak
SILVER OAK EXTRACT, LLC
P.O. BOX 1234
MOUNTAIN VIEW, TX 75151

BAKING POWDER, N.A.
07-01-1234 03/19/2012

PAY TO THE ORDER OF **Southern Pine R, LLC** \$ 1000.00
Three Hundred Sixty-Six and 00/100 DOLLARS

SilverOak
SILVER OAK EXTRACT, LLC
P.O. BOX 1234
MOUNTAIN VIEW, TX 75151

BAKING POWDER, N.A.
07-01-1234 1/10/2012

PAY TO THE ORDER OF **Cash** \$ 225.00
Two Hundred and Fifty and 00/100 DOLLARS

SilverOak
SILVER OAK EXTRACT, LLC
P.O. BOX 1234
MOUNTAIN VIEW, TX 75151

BAKING POWDER, N.A.
07-01-1234 1/10/2012

PAY TO THE ORDER OF **Cash** \$ 225.00
Two Hundred and Fifty and 00/100 DOLLARS

SilverOak
SILVER OAK EXTRACT, LLC
P.O. BOX 1234
MOUNTAIN VIEW, TX 75151

BAKING POWDER, N.A.
07-01-1234 10/20/12

PAY TO THE ORDER OF **Cash** \$ 75.00
Seventy Five and 00/100 DOLLARS

SilverOak
SILVER OAK EXTRACT, LLC
P.O. BOX 1234
MOUNTAIN VIEW, TX 75151

BAKING POWDER, N.A.
07-01-1234 10/20/12

PAY TO THE ORDER OF **Cash** \$ 75.00
Seventy Five and 00/100 DOLLARS

PAY TO THE ORDER OF
STATE BANK

01/20/2010 9017 203020039392 472 44

ShenOak
SANTA OAK ENERGY, LLC
P.O. BOX 1250
MUSKOGEE, AL 36502

SANTA OAK ENERGY, LLC
MUSKOGEE, AL 36502
67818129

1/22/10

WAG GABRIEL

\$ 148.00

Pay to the order of

Twenty-Four and 00/100

[Redacted]

ShenOak
SANTA OAK ENERGY, LLC
P.O. BOX 1250
MUSKOGEE, AL 36502

SANTA OAK ENERGY, LLC
MUSKOGEE, AL 36502
67818129

1/22/10

FELDER

\$ 25.44

Pay to the order of

Twenty-Five and 00/100

[Redacted]

ShenOak
SANTA OAK ENERGY, LLC
P.O. BOX 1250
MUSKOGEE, AL 36502

SANTA OAK ENERGY, LLC
MUSKOGEE, AL 36502
67818129

1/22/10

City Of Muskogee

\$ 91.25

Pay to the order of

City Of Muskogee
Muskogee, AL 36501

[Redacted]

ShenOak
SANTA OAK ENERGY, LLC
P.O. BOX 1250
MUSKOGEE, AL 36502

SANTA OAK ENERGY, LLC
MUSKOGEE, AL 36502
67818129

1/22/10

FELDER

\$ 25.72

Pay to the order of

Twenty-Five and 00/100

[Redacted]

ShenOak
SANTA OAK ENERGY, LLC
P.O. BOX 1250
MUSKOGEE, AL 36502

SANTA OAK ENERGY, LLC
MUSKOGEE, AL 36502
67818129

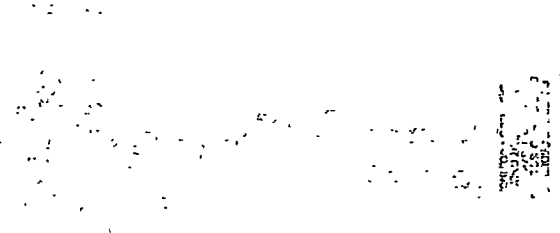
1/22/10

CLARK ENERGY

\$ 1.71

Pay to the order of

[Redacted]

 TAYLOR BAY CREEK, LLC 1234567890 1234567890 SANDY BEACH, N.C. 62418 115 12/01/2009 \$ 11,423.00 TO THE ORDER OF Jackson Overhouse Co. Inc.	
---	--


SHERI OAK ENERGY, LLC
 1400 N. 10TH ST.
 SUITE 100
 BIRMINGHAM, AL 35203
 205-990-1111

PAY TO THE ORDER OF **For Advice** \$ **1,365.00**
 One Thousand Three Hundred Sixty-Five and 00/100 DOLLARS

MAY 10 2012
 07/30/2012

07/30/2012 - [REDACTED] - \$1,365.00

07/30/2012 - [REDACTED] - \$1,365.00

07/30/2012 - [REDACTED] - \$1,365.00


SHERI OAK ENERGY, LLC
 1400 N. 10TH ST.
 SUITE 100
 BIRMINGHAM, AL 35203
 205-990-1111

PAY TO THE ORDER OF **Cashier's Check** \$ **194.00**
 One Hundred Ninety-Four and 00/100 DOLLARS

MAY 10 2012
 07/30/2012

07/30/2012 - [REDACTED] - \$1,365.00

06/21/2012 - [REDACTED] - \$194.00

06/21/2012 - [REDACTED] - \$194.00


SHERI OAK ENERGY, LLC
 1400 N. 10TH ST.
 SUITE 100
 BIRMINGHAM, AL 35203
 205-990-1111

PAY TO THE ORDER OF **John H. McNamee** \$ **1,250.00**
 One Thousand Two Hundred Fifty and 00/100 DOLLARS

MAY 10 2012
 06/21/2012

06/21/2012 - [REDACTED] - \$194.00

05/16/2012 - [REDACTED] - \$1,250.00

05/16/2012 - [REDACTED] - \$1,250.00


SHERI OAK ENERGY, LLC
 1400 N. 10TH ST.
 SUITE 100
 BIRMINGHAM, AL 35203
 205-990-1111

PAY TO THE ORDER OF **Matthew George Truitt** \$ **167.29**
 One Hundred Sixty-Seven and 29/100 DOLLARS

MAY 10 2012
 03/20/2012

05/16/2012 - [REDACTED] - \$1,250.00

03/20/2012 - [REDACTED] - \$167.29

03/20/2012 - [REDACTED] - \$167.29

0670

SHERMAN
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC

TO THE ORDER OF
CITY ALL CHANGING

ONE THOUSAND FIVE HUNDRED AND NO/100

\$ 1,500.00

DOLLAR

FOR DEPOSIT ONLY
DATE 03/16/2012

03/16/2012 - [REDACTED] - \$1,500.00

03/16/2012

SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC

TO THE ORDER OF
CITY ALL CHANGING

ONE THOUSAND FIVE HUNDRED AND NO/100

\$ 1,500.00

DOLLAR

03/16/2012 - [REDACTED] - \$1,500.00

FOR DEPOSIT ONLY
DATE 03/16/2012

03/08/2012 - [REDACTED] - \$45.00

SHERMAN
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC

TO THE ORDER OF
JAMESON PRING

FOURTY FIVE AND NO/100

\$ 45.00

DOLLAR

03/08/2012 - [REDACTED] - \$45.00

FOR DEPOSIT ONLY
DATE 03/08/2012

12/13/2011 - [REDACTED] - \$691.25

SHERMAN
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC
SHERMAN & SHERMAN, LLC

TO THE ORDER OF
MIDLAND EMPLOYING CO, INC

SIX HUNDRED NINETY ONE AND 25/100

\$ 691.25

DOLLAR

12/13/2011 - [REDACTED] - \$691.25

FOR DEPOSIT ONLY
DATE 12/13/2011

11/08/2011 - [REDACTED] - \$661.00

11/08/2011 - [REDACTED] - \$661.00

From: Murray N. Reed [mailto:reedmurray@usa.net]

Sent: Wednesday, October 03, 2012 12:25 PM

To: Jack McIntyre; rich

Cc: Alvin Prusoff; Bruce Barfield; Cliff & Betsey Emery; Dave Fauerby; Dave Jeff, LLC; J. Patrick & Jill Graybeal; Jim Delamarter; Jim Paris; John Pasaloukas & Jeanne Zalickas; John Fauerby; Kim & Larry Tavino; Martin Rehder; Mick McDonough; Murray Reed; Paul Finn; Phil & Dena Hartman; Phil & Kristin Kart; Richard & Gerrie Heibel; Rory Gardiner; Rose Ryan; Sally Kerr Dineen; Stephen & Ginger Lane; Thomas & Gloria Woodbury; Thomas Woods; Victor DelGuercio; Wayne Smolda; William Slater; Brian Mone; daveshort62@gmail.com; Gayle

Subject: We need to move on!!!

Jack,

It is interesting that you are defending your tree farming expertise. To my knowledge no has questioned that. What is in question is your refusal to share company records with the investors. Martin Rehder and I had countless conference calls with you demanding to know such things as, how much money is in our company accounts, the amount of money paid for harvests, our expenses for Forrester and taxes, an accounting of where the loan of \$500,000 got spent. many more questions on the additional \$250,000 that was somehow added to the original loan. We had many many more requests for written information. Apparently you borrowed money from this loan that we were all paying interest on without telling us. So I would hope that you can comprehend why we are thrilled that Rich Silver is trying to get us some answers. You know I no longer have an income. I have well over a

ROA 2508

1

[Handwritten signature] *34

EXHIBIT
WITNESS
DATE
THOMPSON COURT REPORTING

quarter million dollars invested in these properties. You also know that I took money out of my retirement fund to help bail us out of that \$750,000 nightmare loan. We have been friends for a very long time. For that reason I have sent you private emails imploring you to do the right thing. I believed if you did so you would perhaps be saved from some very bad consequences. It appears that you are throwing yourself under the bus and won't let us help you out.

What you told me about Rich Silver was that he is a man of high integrity, honesty and competence. After many phone calls and spending time with Rich, I concur. We are indeed fortunate that he is willing to take on this difficult task.

Yes you have turned over many files but not the ones specifically asked for by Rich. The other requests he made need to be addressed as well. Please comply immediately. Murray

----- Original Message -----

Received: Tue, 02 Oct 2012 02:28:15 PM EDT

From: Jack McIntyre <silveroaklandtrust@gmail.com>

To: rich <rich10@hargray.com>

Cc: Alvin Prusoff <aprusoff@optonline.net>, Bruce Barfield <brucebarfield@yahoo.com>, "Cliff & Betsey Emery" <Abaco21@myfairpoint.net>, Dave Fauerby <fauerby@comcast.net>, "Dave-Jeff, LLC" <davejeffllc@yahoo.com>, "J. Patrick & Jill Graybeal" <jpat29928@yahoo.com>, Jim Delamarter <jdelamarter@ymail.com>, Jim Paris <jim@hiltonheadrealestate.com>, "Johm Pasaloukas & Jeanne Zailckas" <joje@hargray.com>, John Fauerby <jfbicycle@gmail.com>, "Kim & Larry Tavino" <kimfenn1@aol.com>, Martin Rehder <martinrehder@gmail.com>, Mick McDonough <fjmcdonoughiii@yahoo.com>, Murray Reed <reedmurray@usa.net>, Paul Finn <PFinn@commonwealthmediation.com>, "Phil & Dena Hartman" <phil@wolgast.com>, "Phil & Kristin Kart" <pkart@bellsouth.net>, "Richard & Gerrie Heibel" <taratodd@verizon.net>, Rory Gardiner <rorygardiner@rogers.com>, Rose Ryan <roseyp@bellsouth.net>, Sally Kerr Dineen <skerrdineed@mac.com>, "Stephen & Ginger Lane" <stelan73@aol.com>, "Thomas & Gloria Woodbury" <thomas.woodbury@yahoo.com>, Thomas Woods <TSWInc@aol.com>, Victor DelGuercio <victord1968@gmail.com>, Wayne Smolda <wayne.smolda@ceinetwork.com>, William Slater <wllmsltr@gmail.com>, Brian Mone <BrianMone@commonwealthmediation.com>, daveshort62@gmail.com, Gayle <gayle27@hargray.com>

Subject: Re: Record delivery

October 2, 2012

September 28, 2012

9/25/12

after resignation

Jack,

Below is a list of the information that I requested along with two additional items.

Items relating to SOLT IV

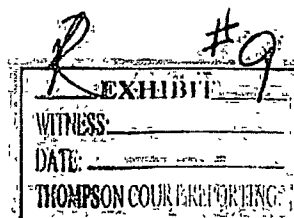
- Copy of the purchase agreement
- Copy of deed
- Revenue and Expenses for each year
- Copy of any signed agreement for purchase of timber
- Copy of any agreements/contracts/loans as it relates to SOLT IV

Looking forward to meeting on Monday,

Phil

ask Rich

- No mortgages

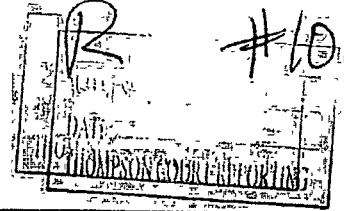


2591

FILED in CHOWAN County, NC
on 10/30/07 at 03:57pm
By: SUSAN S ROUNTREE
REGISTER OF DEEDS
BOOK 387 PAGE 686

CHOWAN County
LAND TRANSFER TAX
\$11,500.00

NC REAL PROPERTY
EXCISE TAX
\$2,300.00



Prepared by:
Hirschler-Fleischer
P.O. Box 500
Richmond, VA 23218-0500

PIN Nos. [REDACTED]

Consideration \$1,150,000.00

SPECIAL WARRANTY DEED

**STATE OF NORTH CAROLINA
COUNTY OF CHOWAN**

KNOW ALL MEN BY THESE PRESENTS:

THIS DEED, made and entered into this 23rd day of October, 2007, by and between **BLUE SKY TIMBER PROPERTIES LLC**, a Delaware limited liability company, with an address of Legal Department - 4th Floor, 6400 Poplar Avenue, Tower II, Memphis, Tennessee 38197 ("Grantor"), and **SILVER OAK LAND TRUST IV, LLC**, a South Carolina limited liability company, with an address of c/o John M. McIntyre, 10 Sailstock Point, P.O. Box 22827, Hilton Head Island, South Carolina 29925 ("Grantee").

WITNESSETH:

For and in consideration of the sum of Ten (\$10.00) Dollars and other good and valuable consideration paid by Grantee to Grantor, the receipt and sufficiency whereof is hereby acknowledged, Grantor has granted, bargained, sold, released, conveyed and confirmed, and by these presents does grant, bargain, sell, release, convey and confirm, unto Grantee, its successors and assigns, with special warranty, all of the property described on Exhibit A ("Property"), attached hereto and made a part hereof.

ROA 2511

Jack McIntyre <silveroaklandtrust@gmail.com>

End of year update.

8 messages

Jack McIntyre <silveroaklandtrust@gmail.com>

Mon, Oct 31, 2011 at 11:37 AM

To: rich <rich10@hargray.com>, Brian Mone <brian@silveroakenergy.com>, "paul@silveroakenergy.com"
 <paul@silveroakenergy.com>, Dave Short <daveshort62@gmail.com>, Jim Paris
 <jim@hiltonheadrealestate.com>

Greetings fellow Biomass Titans,

As the holidays are rapidly approaching, I thought an update prior would be helpful. The attached spreadsheet lists the contacts that we are currently in negotiations with. I have not included Drax as they have not responded to Paul's email. Nor did I include the companies (preliminary negotiations) that are interested in MXG for non-energy feedstock.

I have given Biopower all of the information that they have asked for. They claim they are waiting for their funding to come through (an IPO?), at which point they can make a written offer.

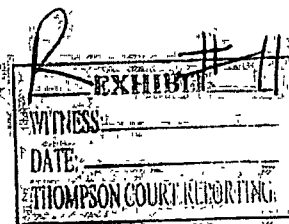
Our greenhouse is overflowing with rhizomes. The cane should be cut soon and the rhizomes propagated and planted in the field.

Mendel has asked if they can use our field for a 10 acre test of the new "seeded" variety of MXG. This offer will give SOE another 10 acres of a perennial crop which will produce yields for years to come. Mendel, as is SOE, is looking for the first of its kind off-take agreement. The crop and agreement will be great PR opportunity for both companies.

As of today we have the foundation to build an international biomass feedstock entity, unfortunately we do not have the financial resources yet to execute any of the above mentioned opportunities. For the past eighteen months I have personally been funding the operations and overhead (with the exception of the London trip. Thank you Paul and Brian) of SOE from my savings. I am unable to continue funding the upcoming year.

Let me know your thoughts,

Best,



Jack McIntyre
 Silver Oak Land Management, LLC
 P.O. Box 22827
 Hilton Head Island, SC 29925
 843-342-3363
 888-254-0820 fax

ROA_2512

Gentleman,

I have put together the attached emails between Mendel, myself and Speedling. I believe these documents will address Paul's assertion in his email dated August 29, 2012 that "they (the 50,000 Miscanthus plants) never existed." If anyone has any lingering doubts about the planted Miscanthus at our farm in Clio or the Greenhouse I would be happy to meet you at either or both locations, dig plants and introduce you to the farmers and laborers who would love to show you their work. As of today all of our available acres have been planted and the greenhouse is overflowing.

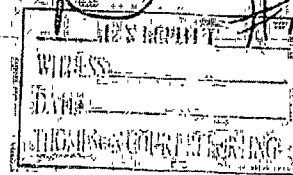
I have only known for a couple of days that you all thought that I had never planted, never negotiated the attached emails, or worse destroyed our crop. I can only assume at the last Members meeting that everyone must have believed that I was working on 50,000 plants that "never existed" and after being shown photographic "evidence" showing a field without Miscanthus, I guess if I had been one of you at that meeting and presented with those assertions, I, too, would have been very concerned. If I had been invited, I could have answered all of your concerns in person.

I don't know what you think I have been doing for the past three plus years but, I guess I didn't deserve at least a phone call.

Some notes on the attached emails for context: At the time we had a signed letter of Intent for an off take agreement with Bioenergia. Bioenergia was looking for a 10-15 year contract with Silver Oak Energy. Bioenergia wanted to visit our "farms" when they came to the US. Assuming an off take agreement was eminent we needed to purchase more land and expand the available feedstock. A larger farm with more feedstock would give us the capacity to enter into an off take agreement. I had a written letter of intent ready to purchase the farm across the street, which had 170+ acres to plant the 50,000 plants from Mendel. We were negotiating with Abengoa, Chemtex and Inbicon for off take agreements. Inbicon had suggested they would purchase our biomass and use it in their existing biopower plant in Europe. We were of the opinion that once we had an off take agreement we would have access to all of the capital we would need. I had daily conversations throughout the bioenergy industry, including joint ventures proposals and consortium offers and thought we were going to change the world.

Best,

emailed @ 3:20 pm
9-2-2012





Jack McIntyre <silveroaklandtrust@gmail.com>

Pots from Speedling

4 messages

Rasto Ivanic <rivanic@mendelbio.com>

Tue Nov 1 2011 at 2:17 PM

To: jack <jack@silveroaklandtrust.com>

Jack, with respect to the pots of 002 we have on hold with Speedling, I was thinking that we could do something along the following lines:

- There are about 50,000 pots +/- available
- You could take possession of the pots sometimes in December (say Dec 15) - I think Speedling would like to move them out by Dec 1, but we can work with them on that
- These pots will be about 18 months old by December and each pot should yield 20-40 rhizomes, probably closer to 40 given their maturity
- We can have Speedling mow the plants before shipping, so you can literally just dump the pots on a truck and not worry about stacking them or anything
- We would sign an agreement with you to allow you to bust open the pots and propagate the plants into rhizomes (or plugs if you wish) and plant them in an agreed upon location (agreement between you and Mendel).
- Once that plot is established (presumably 200-400 acres), this plot is to be used only for biomass production and not for any further propagation
- We will not charge you anything for the pots, but we would like you to either pick them up at Speedling (Tampa) or pay for the transportation of the pots to your location of choice
- As far the payments to Mendel go, we would like to make \$5 per dry ton of biomass that you harvest from the plot IF the biomass is sold in whatever form. If you just provide a sample to a potential customer, you don't need to worry about paying us on those tons etc. Same goes for the situation if you need to mow the field only (e.g., 1st year yield doesn't justify harvesting cost)
- Mendel would help you ID the plot (since we both need to agree on the location to ensure a blazing success of the crop), prepare establishment protocol, weed treatments, etc., the whole nine yards.
- We would provide ongoing staff support for the field, at least for the first few years until we reach steady state with the crop growth
- Mendel will need permission to scout the field for any volunteer activity, essentially we would want to perform our regular monitoring activities
- We would like to get yield data from the field - both data from your end (since we would be getting paid by ton) and we would also like to have permission to come onto the field (under the conditions we would specify) and take samples
- We don't need to put any life time limit on the field, but if/when you decide to terminate the plot, we would ask you to eradicate the field according to our standard eradication protocol (I can provide you with both stewardship/monitoring and eradication protocols in the next few days).

What do you think? Once we have a broad agreement I can have our legal put something in writing.
Cheers,

Rasto

--

Rasto Ivanic

Sr. Director, Business Development
Mendel Biotechnology
Phone: (510) 356-8228
Fax: (510) 264-0297

ROA_2514

Jack McIntyre <silveroaklandtrust@gmail.com>
To: SilverOak.Energy <silveroakenergy@gmail.com>

Tue, Nov 1, 2011 at 2:52 PM

[Quoted text hidden]

Jack McIntyre
Silver Oak Land Management, LLC
P.O. Box 22827
Hilton Head Island, SC 29925
843-342-3363
888-254-0820 fax

Jack McIntyre <silveroaklandtrust@gmail.com>
To: Rasto Ivanic <rivanic@mendelbio.com>

Wed, Nov 2, 2011 at 10:20 AM

Good morning Rasto,

Is there any chance Speedling could ship me at sample pot? I would like to make a few measurements myself and look at planting options etc. If not maybe they could let me know the size of the pots, are they all the same size etc.? Otherwise your contract notes look good!

Best,

ps. I'm working on a proposal for Abengoa (I may ask for help when I have all my data) and talking with Chemtex today.

wish me luck.

Best,

Jack

[Quoted text hidden]

[Quoted text hidden]

Rasto Ivanic <rivanic@mendelbio.com>
To: Jack McIntyre <silveroaklandtrust@gmail.com>

Wed, Nov 2, 2011 at 10:37 AM

Excellent news on Abengoa and Chemtex.

I will see what I can do on those pots.

Rasto

Rasto Ivanic
Sr. Director, Business Development
Mendel Biotechnology
(510) 356-8228
[Quoted text hidden]

ROA_2515



Jack McIntyre <silveroaklandtrust@gmail.com>

Fwd: 002 pots
3 messages

Rasto Ivanic <rivanic@mendelbio.com>
To: jack <jack@silveroaklandtrust.com>

Tue, Nov 8, 2011 at 12:01 PM

Jack, I have asked Jeff to send the pots along with Tray or Mark - whoever will be at the planting next week. If the pots come in after the guys leave for Clio, we will just ship them to you in HH. Works?

Notice how kind Mark is charging us \$45 for shipping this after we have paid him about \$20K for watering these pots for a year. I say he got a nice deal going... :-)

Rasto:

--

Rasto Ivanic

Sr. Director, Business Development
Mendel Biotechnology
Phone: (510) 356-8228
Fax: (510) 264-0297

----- Forwarded Message -----

From: "Mark Dunlop" <mdunlop@speedling.com>
To: "Rasto Ivanic" <rivanic@mendelbio.com>
Sent: Tuesday, November 8, 2011 8:47:37 AM GMT -08:00 US/Canada Pacific
Subject: 002 pots

Rasto:

We can get 3 - 4 pots to Tifton for \$39 to \$44. We will cut off the tops, box the pots and send them FedEx ground. Do you want me to send them this week?

Mark Dunlop

National Sales Manager

Speedling, Inc.

4447 Old Hwy 41

Ruskin, FL 33570

mdunlop@speedling.com

ROA_2516

C:941-592-7423

Tue, Nov 8, 2011 at 12:25 PM

Maybe Mark is suffering from the "jilted lover-complex".

[Quoted text hidden]

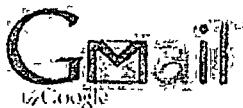
Jack McIntyre
Silver Oak Land Management, LLC
P.O. Box 22827
Hilton Head Island, SC 29925
843-342-3363
888-254-0820 fax

Tue, Nov 8, 2011 at 12:30 PM

Doesn't know about the break up yet :-)

Rasto Ivanic
Sr. Director, Business Development
Mendel Biotechnology
(510) 356-8228
[Quoted text hidden]

ROA 2517



Jack McIntyre <silveroaklandtrust@gmail.com>

50,000 pots
7 messagesJack McIntyre <silveroaklandtrust@gmail.com>
To: mdunlop@speedling.com

Fri, Dec 16, 2011 at 10:00 AM

Good morning Mark,

I've been thinking of an economic solution to the 50,000 pot problem. What would you charge me to cut off the robust rhizomes (4+ inches)? I would guess that there may be four or five per pot. Shipping 200-250,000 rhizomes will be rational. What do you think? any other suggestion?

If I don't talk with you before the Holidays, Merry Christmas!

Jack McIntyre
Silver Oak Land Management, LLC
P.O. Box 22827
Hilton Head Island, SC 29925
843-342-3363
888-254-0820 fax

Mark Dunlop <mdunlop@speedling.com>
To: Jack McIntyre <silveroaklandtrust@gmail.com>

Fri, Dec 16, 2011 at 10:58 AM

Hey Jack,

Sorry to be so late getting back to you. Looks like we are on the same page regarding transporting this material. My production manager suggested we do something similar to your suggestion and putting the material in large bags we receive our EPS beads in. He thinks he can get all the material in two semi loads. The cost would be about \$.24 per pot plus shipping.

Thanks,

Mark

From: Jack McIntyre [mailto:silveroaklandtrust@gmail.com]
Sent: Friday, December 16, 2011 10:01 AM

ROA_2518

To: mdunlop@speedling.com
Subject: 50,000 pots

[Quoted text hidden]

Jack McIntyre <silveroaklandtrust@gmail.com>
To: SilverOak Energy <silveroakenergy@gmail.com>

Fri, Dec 16, 2011 at 1:03 PM

finally

[Quoted text hidden]

Jack McIntyre <silveroaklandtrust@gmail.com>
To: Mark Dunlop <mdunlop@speedling.com>

Fri, Dec 16, 2011 at 1:43 PM

Good afternoon Mark,

Thank you for the reply, when you mention "putting the material" are you talking about the 4/5 rhizomes per pot? We don't need to ship any soil.

Best,

[Quoted text hidden]

Mark Dunlop <mdunlop@speedling.com>
To: Jack McIntyre <silveroaklandtrust@gmail.com>

Fri, Dec 16, 2011 at 1:57 PM

We would remove as much excess soil from the root mass as possible

From: Jack McIntyre [mailto:silveroaklandtrust@gmail.com]
Sent: Friday, December 16, 2011 1:43 PM
To: Mark Dunlop
Subject: Re: 50,000 pots

[Quoted text hidden]

Mark Dunlop <mdunlop@speedling.com>
To: Jack McIntyre <silveroaklandtrust@gmail.com>

Tue, Jan 10, 2012 at 12:28 PM

Jack;

Do you have any plans to be in Florida in the near future? It would be good to look at these pots with my logistics guys and come up with a plan that works for both of us.

Thanks;

Mark

ROA_2519

From: Jack McIntyre [mailto:silveroaklandtrust@gmail.com]
Sent: Friday, December 16, 2011 1:43 PM
To: Mark Dunlop
Subject: Re: 50,000 pots

Good afternoon Mark,

[Quoted text hidden]

Jack McIntyre <silveroaklandtrust@gmail.com>
To: Mark Dunlop <mdunlop@speedling.com>

Tue, Jan 10, 2012 at 3:34 PM

Good afternoon Mark,

Sounds like a logical plan, I'll check my calender and give you a call later this week.

Best,

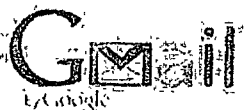
Jack.

[Quoted text hidden]

Silver Oak Energy, LLC
P.O. Box 22827
Hilton Head Island, SC 29925
843-342-3363
888-254-0820 fax

jack@silveroakenergy.com

ROA_2520



Jack McIntyre <silveroaklandtrust@gmail.com>

rhizome cost

4 messages

Mark Dunlop <mdunlop@speedling.com>
To: jack@silveroaklandtrust.com

Mon, Mar 19, 2012 at 4:55 PM

Jack,

I apologize for not getting this to you sooner, but our logistics guy got called to Texas last week to take care of some issues out there. The cost for busting the pots, harvesting the rhizomes and dumping the remaining material will be \$0.50 per pot plus shipping. We have large bags in which we receive eps beads that we can use to hold & ship the rhizomes. It will take us 5 - 6 days to harvest all of the material. Please give me a week lead time to get the labor in place.

I'll get a count, but I believe we have between 50,000 and 55,000 pots.

Thanks,

Mark Dunlop

Speedling, Inc.

National Sales Manager

4447 Old Hwy 41

Ruskin, FL 33570

Office: (813) 649-2122

Cell: (941) 592-7423

Jack McIntyre <silveroaklandtrust@gmail.com>
To: SilverOak Energy <silveroakenergy@gmail.com>

Mon, Mar 19, 2012 at 5:04 PM

[Quoted text hidden]

Jack McIntyre

Silver Oak Energy, LLC

P.O. Box 22827

Hilton Head Island, SC 29925

843-342-3363

888-254-0820 fax

ROA_2521

jack@silveroakenergy.com

Jack McIntyre <silveroaklandtrust@gmail.com>
To: Rasto Ivanic <rivanic@mendelbio.com>

Wed, Mar 21, 2012 at 4:03 PM

Great minds think alike.

Just got this from Mark on Monday, I have not replied yet. What do you think of the price?

----- Forwarded message -----
From: Mark Dunlop <mdunlop@speedling.com>
Date: Mon, Mar 19, 2012 at 4:55 PM
Subject: rhizome cost
To: jack@silveroaklandtrust.com

[Quoted text hidden]

[Quoted text hidden]

Rasto Ivanic <rivanic@mendelbio.com>
To: Jack McIntyre <silveroaklandtrust@gmail.com>

Wed, Mar 21, 2012 at 6:54 PM

Jack, if you get 5 rhizomes per pot, or \$0.10 per rhizome, then I think this is a pretty good price. Of course, I don't know how much you will need to spend on planting them, but I assume with a nifty potato or veg planter or something like that it could be ~\$300 per acre @ 5000 rhizomes per acre that will give you total of ~\$800 per acre. I don't think it gets much better for non-seed propagated system.

I would still try to negotiate that down for good measure - if he doesn't sell the rhizomes to you he will have to dump them at his own expense, because I am not letting anyone else than you have this material and I am not paying him to keep it. I think that he should be open to that discussion. I would open up at 1/2 of what he is asking, but that is just me... you don't need my opinion to negotiate :-)

Rasto

--

Rasto Ivanic

Sr. Director, Business Development
Mendel Biotechnology
Phone: (510) 356-8228
Fax: (510) 264-0297

ROA_2522



Jack McIntyre <silveroaklandtrust@gmail.com>

002 pots

4 messages

Mark Dunlop <mdunlop@speedling.com>

Mon, Apr 9, 2012 at 10:21 AM

To: jack@silveroaklandtrust.com, Rasto Ivanic <rivanic@mendelbio.com>

Jack & Rasto,

Has any decision been made about the 002 pots in Sun City?

Mark Dunlop, National Sales Manager
Speedling, Inc.
4447 Old Hwy 41
Ruskin, FL 33570
cell: 941-592-7423
off: 813-649-2122

Rasto Ivanic <rivanic@mendelbio.com>

Mon, Apr 9, 2012 at 12:59 PM

To: jack <jack@silveroaklandtrust.com>

Jack, this is your call - I am ready to make a decision to pull the plug on these if you are not getting close to reaching a deal with Speedling...

On another note, I just got back from a mini-vacation. Will send you the consortium write up later today. Cheers,

Rasto

Rasto Ivanic

Sr. Director, Business Development
Mendel Biotechnology
Phone: (510) 356-8228
Fax: (510) 264-0297

[Quoted text hidden]

Jack McIntyre <silveroaklandtrust@gmail.com>

Mon, Apr 9, 2012 at 7:28 PM

To: Rasto Ivanic <rivanic@mendelbio.com>

Mini-vacation?

I had Easter brunch with my daughter in Greenville yesterday (High Cotton). I think Mark is asking too much \$\$\$ I will call him tomorrow.

Welcome back

ROA_2523

Hola to the boys,

[Quoted text hidden]

Jack McIntyre
Silver Oak Energy, LLC
P.O. Box 22827
Hilton Head Island, SC 29925
843-342-3363
888-254-0820 fax

jack@silveroakenergy.com

Rasto Ivanic: <rivanic@mendelbio.com>

Mon, Apr 9, 2012 at 9:27 PM

To: Jack McIntyre: <silveroaklandtrust@gmail.com>

OK, I hope he can be reasonable. Happy Easter (delayed)...

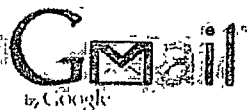
Rasto

Rasto Ivanic

Sr. Director, Business Development
Mendel Biotechnology
Phone: (510) 356-8228
Fax: (510) 264-0297

[Quoted text hidden]

ROA_2524



Jack McIntyre <silveroaklandtrust@gmail.com>

Mendel miscanthus pots

1 message

Mark Dunlop <mdunlop@speedling.com>

Tue, Apr 24, 2012 at 5:10 PM

To: jack@silveroaklandtrust.com

Jack,

Did you reach any resolution on the miscanthus pots?

Mark Dunlop

Speedling, Inc.

National Sales Manager

4447 Old Hwy 41

Ruskin, FL 33570

Office: (813) 649-2122

Cell: (941) 592-7423

ROA_2525



Jack McIntyre<silveroaklandtrust@gmail.com>

002 pots

1 message

Mark Dunlop <mdunlop@speedling.com>

Tue, May 1, 2012 at 1:55 PM

To: jack@silveroaklandtrust.com

Jack,

I can shave the cost down to \$.40 per pot, but that's all I can do. Please let me know how you would like to proceed.

Thanks,

Mark Dunlop

Speedling, Inc.

National Sales Manager

4447 Old Hwy 41

Ruskin, FL 33570

Office: (813) 649-2122

Cell: (941) 592-7423

ROA_2526



Jack McIntyre <silveroaklandtrust@gmail.com>

\$25,000.00 Loan

5 messages

Paul Finn <PFinn@commonwealthmediation.com>

Wed, Aug 29, 2012 at 10:15 AM

To: "Jack McIntyre" <jack@silveroakenergy.com>

Cc: Rich Silver <rich10@hargray.com>, Dave Shortt <daveshortt62@gmail.com>, Brian Mone <BrianMone@commonwealthmediation.com>, Jim Paris <jim@hiltonheadrealestate.com>

Jack

What did you do with the \$25,000.00 that I lent to Silver Oak Energy, LLC on November 30, 2011?

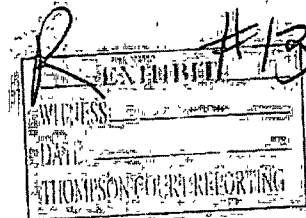
I know you didn't buy anything from Speedling because I checked with Speedling and they have no record of any purchase by Silver Oak Energy, LLC or you on behalf Silver Oak Energy, LLC. The only purchase they have on record happened in July and September 2010 when Silver Oak Land Management paid \$25,598.45 for 50,000 Miscanthus plants. It is unclear from the invoice whether the 50,000 plants were rhizomes or plugs, but regardless, \$598.45 of the invoice amount was for freight. So your story about our purchase from Speedling falls on all fronts. No one would spend \$50,000.00 on a product and not make arrangements within the purchase price for shipping. Our plants at Speedling, purchased with the loan from me and your \$25,000.00, were not destroyed, because they never existed.

I know you didn't put the money into the farm. A couple of weeks ago on his way back from Richmond, VA, Dave stopped by the farm in Clio, Marlboro County. He took pictures. He found no evidence of bush hogging. You told me in voice mail three weeks ago that our Speedling plants were fine, that they are planted in Clio, and that the farm had recently been bush hogged. Also, he found no evidence of any Miscanthus in the front of farm that abuts the road, contrary to your assertion.

So, where is my \$25,000.00 loan to Silver Oak Energy, LLC?

I await your written response.

Paul A. Finn, President & CEO
Commonwealth Mediation & Conciliation, Inc.
1145 West Chestnut Street
Brockton, MA 02301
(508) 583-8111
(508) 208-8559 cell phone



Jack McIntyre <silveroaklandtrust@gmail.com>

Thu, Aug 30, 2012 at 8:50 AM

To: "Paul Finn" <PFinn@commonwealthmediation.com>

Cc: "Jack McIntyre" <jack@silveroakenergy.com>, Rich Silver <rich10@hargray.com>, Dave Shortt <daveshortt62@gmail.com>, Brian Mone <BrianMone@commonwealthmediation.com>, Jim Paris <jim@hiltonheadrealestate.com>

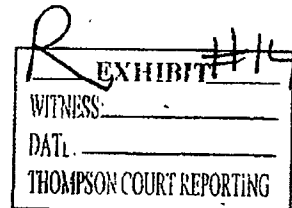
Good morning, Paul,

I am sorry I did not reply to your emails yesterday, a dear friend of over 30 years passed away earlier in the day and I had a rough day. I am in receipt of the "notice of removal". I will reply to this email later today after I have collected all of the information needed to respond concisely. If Dave is available this afternoon I can meet with him at the bank and transfer the banking account and then start making copies of all of the documents required for a smooth transition.

Best,

ROA_2527

mail - FW: Re: Lake Wateree SOLT II Timbering Contract, Lake Murra... <https://mail.google.com/mail/u/1/?ui=2&ik=619a18526a&view=pt&q=ri...>



-----Forwarded Message-----

From: PFinn@commonwealthmediation.com

To: reedmurray@usa.net, aprusoff@optonline.net, brucebarfield@yahoo.com, Abaco21@myfairpoint.net, fauerby@comcast.net, davejeffllc@yahoo.com, gayle27@hargray.com, jpat29928@yahoo.com, jdelamarter@ymail.com, jim@hiltonheadrealestate.com, joje@hargray.com, jfbicycle@gmail.com, kimfenn1@aol.com, martinrehder@gmail.com, fjmcDonoughiii@yahoo.com, phil@wolgast.com, pkart@bellsouth.net, rich10@hargray.com, taratodd@verizon.net, rorygardiner@rogers.com, roseyp@bellsouth.net, skerrdineen@mac.com, stelan73@aol.com, thomas.woodbury@yahoo.com, TSWInc@aol.com, victord1968@gmail.com, wayne.smolda@ceinetwork.com, wllmsltr@gmail.com

Sent: Fri, Oct 19, 2012 3:52 PM EDT

Subject: RE: Lake Wateree SOLT II Timbering Contract, Lake Murray SOLT III

Fellow investors:

I contacted the Attorney General's office for the State of South Carolina regarding this situation we all find ourselves in. Sandra Mathews from the AG's has opened an investigation. I am going to ask her if she wants to hear from you. It seems the more we find out the worse it gets. I will keep you posted.

Paul Finn

sake, especially your own.

Rich

p.s. I will be on Hilton Head all day today. After my meeting with the FBI, I will be hanging out because I have to be at Port Royal at 2:00 pm for my league tennis match. I will be reachable on my cell (██████████) before 2pm, and my match should be over by about 4 to 4:30pm, so I can be reached after that. I can stay on Hilton Head after the match if you want to talk.

From: rich [mailto:rich10@hargray.com]

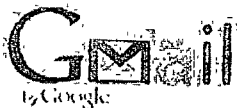
Sent: Tuesday, December 18, 2012 12:07 AM

To: jack@jackmcintyre.com

Cc: 'Rich Silver'; 'Jim Paris'

Subject: updated settlement letter

[Quoted text hidden]



Jack McIntyre <jackmmcintyre@gmail.com>

Fwd: settlement offer

1 message

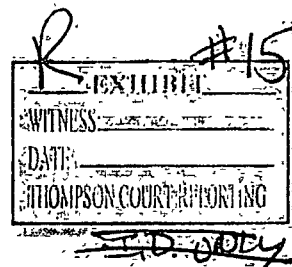
Judith Costello <jcostellogallery@gmail.com>
 To: Jack McIntyre <jackmmcintyre@gmail.com>

Fri, Dec 14, 2012 at 9:30 AM

Sent from my iPhone

Begin forwarded message:

From: "rich" <rich10@hargray.com>
 Date: December 13, 2012 8:38:14 PM EST
 To: "Judith Costello" <judith@jcostellogallery.com>
 Cc: <jack@jackmcintyre.com>
 Subject: settlement offer



Hi Judy:-

I hope you and Alex are holding up OK during this difficult time.

I wanted to update you on our attempts to reach a settlement with Jack so we can all focus on the future. Last Friday a settlement offer was delivered to Jack which gave him a week to respond. I have heard nothing from him. This offer was a very sincere attempt on our part to allow Jack to make restitution in return for which we would drop the existing lawsuit and agree to not file additional suits on behalf of the 6 Land Trusts. The letter also indicated that we would inform the Attorney General's Office that we had reached a settlement and would encourage them to terminate their ongoing investigation. The offer allows Jack (and you, I presume) to retain some ownership interest in 5 of the 6 SOLTs, and to retain the entire interest in one of those 5. It requires just a nominal amount of cash to be reimbursed. An estimate of the current value of the portion that would be retained is in the \$180,000 to \$200,000 range.

I also informed Jack that this will be his last opportunity to get the slate wiped clean so that he can avoid having to spend significant amounts of money defending himself against lawsuits and against civil and criminal charges which may be brought by both State and Federal law enforcement agencies.

I had promised you that I would do whatever I could for Alex's sake to help Jack stay out of jail. I told Jack that the only way I will help in that regard is if he accepts the settlement offer.

Since Jack apparently is determined to fight this, things are going to get much worse. Federal law enforcement officials are about to become involved in addition to the state officials already investigating - these investigations are not limited to the Energy company.

ROA 2530

P.O. Box 22827
Hilton Head Island, SC 29925
843-342-3363
888-254-0820 fax

 Energy crop client list.xls
30K

rich <rich10@hargray.com> Mon, Oct 31, 2011 at 12:17 PM
To: Jack McIntyre <silveroaklandtrust@gmail.com>, Brian Mone <brian@silveroakenergy.com>, paul@silveroakenergy.com, Dave Short <daveshort62@gmail.com>, Jim Paris <jim@hiltonheadrealestate.com>

Are we still looking for the same level of funding as previously discussed? For example, we had talked about a private equity investment ranging from \$10 million to \$20 million, for which we would give up anywhere from 30% to 45% of the ownership. Is that what we are still looking for?

From: Jack McIntyre [mailto:silveroaklandtrust@gmail.com]
Sent: Monday, October 31, 2011 11:38 AM
To: rich; Brian Mone; "paul@silveroakenergy.com"; Dave Short; Jim Paris
Subject: End of year update.

[Quoted text hidden]

Jack McIntyre <silveroaklandtrust@gmail.com> Tue, Nov 1, 2011 at 10:33 AM
To: rich <rich10@hargray.com>
Cc: Brian Mone <brian@silveroakenergy.com>, paul@silveroakenergy.com, Dave Short <daveshort62@gmail.com>, Jim Paris <jim@hiltonheadrealestate.com>

Good morning Rich,

Thank you for the reply. At this point we are looking at three possible solutions to the liquidity crunch.

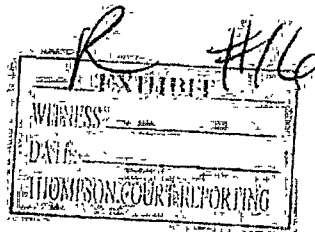
1. We sell all of the assets of Silver Oak Energy to a buyer i.e. BioPower or one identified by FTI Group.
2. We sign one of the off-take agreements, identify the exact amount of capital required, and bring in a private equity investor, also with the help of FTI Group, as you envision.
3. Bring in the required capital to continue operations and expand the fields, until #1 or #2 materialize.
4. Any other rational plan we can think of.

Best,

Jack

[Quoted text hidden]

[Quoted text hidden]



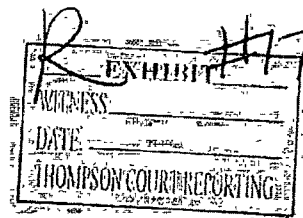
rich <rich10@hargray.com> Tue, Nov 1, 2011 at 10:38 AM
To: Jack McIntyre <silveroaklandtrust@gmail.com>

ROA_2531

Jack McIntyre

From: Rich [rich10@hargray.com]
 Sent: Wednesday, January 12, 2011 10:40 AM
 To: 'jack@silveroaklandtrust.com'
 Subject: RE: SOE 2011 Update

Follow Up Flag: Follow up
 Flag Status: Flagged



Thanks for the update:

A couple of thoughts as to valuation. There are two ways to look at it, one of which dilutes each of our current holdings and one of which does not.

In your example, if we value the current entity at \$2.5 million (which I agree is reasonable for the foundation that you've established), then if we sell a 20% stake for \$500,000 we are each diluted by 20%.

My stake currently is 16.25% which would make it worth \$406,250 at a total valuation of \$2,500,000. If we reduce my percentage by 20% to a 13% interest, then if the valuation is still \$2,500,000 my stake is now worth \$325,000, or 80% of what it was worth before taking in the new investor.

However, if we think the current value is \$2,500,000 and we take in another \$500,000, then I would say that the total value of the entity is now \$3,000,000 (the previous value plus \$500,000 in the bank). If I now own 13% of an entity worth \$3,000,000, then my stake is worth \$390,000, much closer to what it was worth before the new investment, but still diluted. And the new investor now owns 20% of an entity worth \$3 million, so his stake is worth \$600,000 even though he just put in \$500,000.

So, to prevent even that dilution, the other way to do it is as follows: using my second example, if the new valuation is \$3,000,000, then the person who just invested \$500,000 should own one-sixth (500/3000 or 16.6666%) of the newly valued entity, not 20%. If the new investor dilutes our percentages by 16.6666% rather than by 20%, then my percentage drops to 13.541667%, which is still worth \$406,250 of the total valuation of \$3,000,000. This results in no dilution in value. Of course the value is theoretical anyway.

The way to accomplish this latter result is to convert everyone's interest to shares rather than confusing percentages. Then we sell more shares at a given price per share to produce the desired result. In this example, the new investor ends up with one-sixth of total shares outstanding.

To take this example further, I'll use the percentages in Exhibit A on page 18 of our operating agreement. If we convert percentages to shares, then you own 35,000 shares of a total of 100,000 (35%), and I own 16,250 shares. So, if we now say that the entity is worth \$2.5 million, then each of the current 100,000 shares outstanding is worth \$25.00. If someone invests \$500,000, they should pay \$25/share so they will receive 20,000 shares and the new total shares outstanding will be 120,000. Your 35,000 shares now represents 29.1667% of total shares, and my 16,250 shares now represents 13.5417% of total outstanding shares. My 16,250 shares at \$25/sh. is worth \$406,250, the same as they were worth before the new investor came in. The new investor owns one-sixth of the new total shares (20000/120000), not 20%.

We would use a similar philosophy when and if we get a major investor willing to invest \$10 million or more. We'll come up with a value per share before that investment so we can correctly compute how many shares the new investor will get so as not to dilute our existing values at the time.

By the way, the percentages and dollars on that exhibit are not quite consistent. There is a slightly disproportionate relationship between the dollars I invested and my percentage share, for example, versus the amounts invested by Paul and Brian for their percentage shares. To get a 16.25% interest, I should have invested \$100,000 even, not \$99,375, and Jim should invest \$25,000 for a 4.0625% share, not \$24,843.75 (I think that's what his number was supposed to be even).

though that's not what it says in the exhibit). Either Jim and I can put in the additional amounts to get the percentages we own, or everyone's percentages can be slightly adjusted to be proportional with the amount each person invested, or we can leave it alone as immaterial.

Lastly, my son-in-law (Gayle's daughter's husband) started out in the investment banking business and later has worked at 3 different start-up companies. He has contacts in the venture capital and private equity arenas and may know some people that invest in green-energy stuff. Do you want me to send him a copy of the latest business plan that you attached to this email and ask him to forward it to anyone he knows that might be interested? Is this the document we use with prospective investors or do we have a different one for that. Let me know what, if anything, you want me to do.

Yo,

Rich

From: jack@silveroaklandtrust.com [mailto:Appleinc@hargray.com]
Sent: Monday, January 10, 2011 9:08 AM
To: jack@silveroaklandtrust.com
Subject: FW: SOE 2011 Update

Happy New Year, MXG Growers,

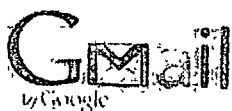
I have attached a truncated business plan for all to review, I hope you enjoy...it won't take long to read.

As we haven't talked in a few weeks I thought I would give everyone an update. I've just returned from Florida. I delivered some of our Silver Oak "Select" plants to the tissue culture firm that Mendel recommended. They are working on our "Mother" plants and will have the ability to produce millions of clones for next season's planting. I also delivered a few plants to Speedling on the west coast of Florida, we purchased 50,000 plugs from Speedling last year and planted them in Clio. These suppliers will give us plenty of scalable feedstock options in the future. As we own the feedstock, we will not be subject to any limitations or royalties going forward. At this point in time, we seem to be the only supply available without limits and royalties.

As the window of opportunity to order any rhizomes for the spring planting has passed, I have stalled the off-take agreement negotiations. I have also been visiting the pellet manufacturers in Georgia and South Carolina. I am explaining the challenges of getting the MXG pelletized at this point, and suggesting that until we can locate a pellet manufacturer who can supply the volume and quality that we require, I can't sign off on any contract at this point. As I am drafting this email, EDF has just emailed. They are looking into a pellet solution.

Opportunities for 2011 and beyond.

While Paul, Brian and I are pursuing every avenue we can to identify a \$10,000,000 investor, I suggest we find a much smaller investor to get our brand national attention, and keep our crop productive and healthy. We still have 700 plus Silver Oak "Select" plants growing in the Fairfield County BRF. Each one of these plants



Jack McIntyre <silveroaklandtrust@gmail.com>

final chance

rich <rich10@hargray.com>

Tue, Sep 25, 2012 at 8:03 PM

To: Jack McIntyre <silveroaklandtrust@gmail.com>

Cc: Jim Paris <jim@hilltonheadrealestate.com>, rich <rich10@hargray.com>, reedmurray@usa.net

Jack -

You have told Jim a number of times you will resign from all SOLTs as manager and that you will turn over all records to me, yet you continue to not do either one.

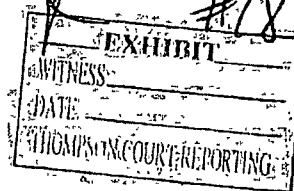
This is your last chance before criminal charges are brought

You are to deliver via email by 10:00 pm tonight a resignation letter to every member of every SOLT in which you resign as manager, and for SOLTs I, II, and III you name Murray Reed as an interim manager AND you name me as treasurer, and for SOLTs IV, V and VII you name me as interim manager.

Beit #5222h

You are not to put anything in the resignation letters other than that you are resigning for personal reasons - no bullsh-t stories of any kind. Plain and simple - for personal reasons you resign. If you put anything else in that tries to paint you in a good light, I will then send to all members of all SOLTs some of the glaring examples of your outright theft of SOE monies including examples of how you recorded many personal expenses under different payee names to cover up your theft - showing intentional fraud. I am not asking you to admit any guilt in these letters, but you are not to put anything in that sheds a good light on you or on anything you've done for these entities over time.

You are to deliver to me by 5:00 pm tomorrow (Wednesday, 9/26/2012) every record you have for SOE and every SOLT as previously requested. You are to include copies of all monthly bank statements for SOLM since the establishment of SOLT I through the end of last month. You are to include all Quickbooks history since inception of each entity in a file that I can upload into my Quicken or Quickbooks application.



This is your final chance before much more dire circumstances befall you.

The Attorney General's Office already has copies of all of the records for all of the Land Trusts and has been digging through those records for many weeks. I will now do everything in my power to see that Jack goes to jail. Other investors have already been demanding that we do whatever we can to have him go to jail, but I had been resisting those efforts based on my promise to you. I was hoping he would take advantage of this opportunity to make things right and get this all behind him. Instead, Jack will be spending significant amounts of money on legal fees for an extended period of time.

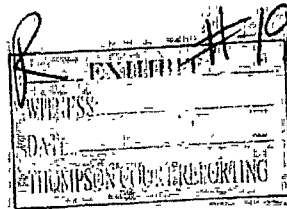
We are close to a sale of one of the SOL's properties which will provide significant monies to file additional lawsuits against Jack. Some of his offenses call for triple damages, so he (and you) will end up with no interest in any of the companies, and a fortune will have been spent on legal fees. There is ample "smoking gun" evidence to put him in jail.

I am sorry that it has come to this, for your sake and for Alex's. But, Jack has been and continues to be a fool thinking that he is going to get away with what he has done. He has been offered multiple opportunities to avoid what is about to befall him.

Regards,

Rich

Mr. John M. McIntyre
P.O. Box 22827
Hilton Head Island, SC 29925



December 17, 2012

Re: Silver Oak Land Trusts and Silver Oak Energy, LLCs

Dear Jack:

As you are aware, the investors in each of the Silver Oak Land Trusts (SOLT, [aka SOLT I], SOLTs II, III, IV, V, & VII) and the investors in Silver Oak Energy (SOE) have discovered numerous financial irregularities which occurred during your tenure as Manager of each of these entities. We believe these irregularities have included willful malfeasance, gross negligence, fraud and outright theft of company monies, including clear intent to cover up some of the improprieties by virtue of altered accounting records to conceal the real payees of various expenditures on a number of occasions.

These irregularities resulted in a significant total dollar amount of loans to yourself from many of these companies for which there was substantial benefit to yourself and which were not in the best interests of the lending companies; the receipt by you of management fees, consulting fees and other payments to which you were not entitled; the receipt by you of excessive distributions following certain timber cuttings, and the payment on your behalf of significant amounts of personal expenses and expenses that related to your responsibilities as Manager of these companies and which should, therefore, have come out of the compensation you received from these companies to perform those managerial functions.

Although you have refused to deliver all requested documentation regarding expenditures by all of these companies, we have reviewed the materials that we have been able to obtain, including bank statements, your QuickBooks accounting records, and tax returns with supporting schedules and workpapers used by the CPA in preparing those returns. This review has resulted in the quantification of what we believe to be monies due back to each of these companies taken by you in the various forms detailed above. Following is the amount for each company that we have determined is owed by you:

	gross	allowance	sub-total	interest	total
SOLT I.....	\$325,000	-\$68,000	= \$257,000	+ \$29,000	= \$286,000
SOLT II.....	39,000	- 15,000	= 24,000	+ 2,000	= 26,000
SOLT III.....	18,000	- 2,000	= 16,000	+ 1,000	= 17,000
SOLT IV.....	37,000	- 11,000	= 26,000	+ 3,000	= 29,000
SOLT V.....	2,000	- 1,000	= 1,000	+ 0	= 1,000
SOLT VII.....	23,000	- 4,000	= 19,000	+ 1,000	= 20,000
SOE.....	141,000	- 21,000	= 120,000	+ 10,000	= 130,000

Grand total, all companies.. \$585,000 -\$122,000 = \$463,000 + 46,000 = \$509,000

The amounts indicated above for SOLT IV and VII reflect the fact that you have previously repaid certain amounts to those two companies. In addition, the amount subtracted from each company's initial balance due reflects an allowance to you for certain disputed payments relating to your duties as manager. The allowance in no way indicates that we agree that any of these payments were legitimate business expenses of these companies, but rather is an effort to avoid prolonged disputes regarding the legitimacy of certain expenses.

In order to make this as easy as possible for you to accept and execute in an expeditious manner, we are asking for only a nominal amount of cash in total, with the bulk of the restitution coming in the form of receiving back portions of your current ownership interests in these companies, as follows:

	Current % Owned	Portion Surrendered	Portion Retained	Portion Given to SOE	Remaining Portion	Estimated Value of Remainder
SOLT I	12.448%	11.248%	1.200%	----	1.200%	\$ 30,000
SOLT II	9.000	4.500	4.500	----	4.500	22,100
SOLT III	20.000	20.000	----	----	----	0
SOLT IV	20.780	3.500	17.280	11.280%	6.000	49,200
SOLT V	20.000	----	20.000	----	20.000	52,400
SOLT VII	14.290	3.800	10.490	----	10.490	55,500
SOE	35.000	35.000	----	----	----	0

Total estimated current value of remaining percentages owned\$ 209,200

We have estimated the current value of the portions surrendered as detailed above, and while these cover most of what you owe to these companies, a modest amount of cash will make up the shortfall, as follows:

SOLT I	\$ 5,000
SOLT II	4,000
SOLT III	2,000
SOLT IV	0
SOLT V	1,000
SOLT VII	0
SOE	7,000

Total cash .. \$19,000

At the meeting of investors held on November 16, I was asked to form an Executive Committee in order to present to you this settlement opportunity. The clear instructions that evening from the majority of investors was to extend this opportunity with the understanding that is it non-negotiable and must be accepted and executed within one week of receipt by you. The Executive Committee has met; reviewed and approved this settlement opportunity being extended to you with that understanding. You must sign the attached documents and return them with cashier's or certified checks payable to the respective companies as detailed above within one week of receipt of this letter.

You need to understand that some investors want you to surrender 100% of your ownership interests in each of these companies as a form of punitive relief for what you have done, given the egregious nature of some of your actions. However, the Executive Committee is prepared to have me (and the Manager of SOE) sign the appropriate documents that will indicate that in exchange for this expedited settlement, each of these companies will consider all debts settled and will hold you harmless for all past actions during your tenure as Manager, even if more improprieties during your tenure as Manager come to light in the future. We sincerely want to get this behind us so that we can focus on the appropriate future courses of action with respect to managing each of these entities. We believe that it is very much in your best interest to get this behind you as well.

While I cannot make promises with regard to the ongoing investigation being conducted by the South Carolina Attorney General's Office, I did ask the woman leading the investigation if she would drop it if we informed her that we had reached a settlement with you. She indicated that although there is no guaranty, they have on many occasions terminated investigations when the injured parties inform them that they have received restitution and finalized a settlement agreement.

As indicated, this is a one-time opportunity for you to avoid more dire consequences. The investors are very much prepared to pursue formal legal action against you and to continue the SOE legal action against you. Other law enforcement agencies may also become involved. You know that there is black and white "smoking gun" evidence against you of deliberate theft and fraud. Please take advantage of this one opportunity to wipe the slate clean and allow us all to focus on the future.

This demand in settlement is made without prejudice. Nothing contained herein may be construed as admissions or the full extent of any claims we have against you.

Sincerely,

Richard A. Silver, Manager
Silver Oak Land Trusts I, II, III, IV, V & VII

David Short, Manager
Silver Oak Energy, LLC

I accept the terms of this letter this _____ day of December, 2012 and herewith tender a total of \$19,000 as specified in this letter and tender the Transfer documents as specified in this letter.

John M. McIntyre

rich <rich10@hargray.com>

Reply-To: rich10@hargray.com

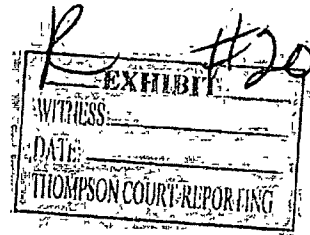
To: jack@jackmcintyre.com

Cc: Jim Paris <jim@hiltonheadrealestate.com>, Rich Silver <rich10@hargray.com>

Tue, Dec 18, 2012 at 9:08 AM

Jack - I just want to make sure we are clear about this: If an agreement is going to be reached between the two of us it will need to be done almost immediately and without your attorney or ours. I am keeping my appointment with the FBI this morning, but I will tell them that we have finally made progress toward a possible settlement and that I need for them to hold off opening a formal investigation for a couple of days. Beyond that it will be out of my hands. I want to have a signed agreement in my hands before I leave for California, which means it needs to be done by Wednesday evening. I am sleeping at my condo on Wednesday for our early flight on Thursday. I will not allow the conversation we had last night to be the beginning of a long drawn out delaying tactic to hold off the investigators. Either you are finally willing to work out a settlement plan or you are not. Please do the right thing for everyone's

12/30/2012 4:18 PM



me and so trusted you.

As your friend I am asking you to make it right.

Talk Later, Jim

From: rich [mailto:rich10@hargray.com]
Sent: Thursday, November 08, 2012 7:57 PM
To: Jim Paris
Cc: 'rich'
Subject: settlement discussion

Hi Jim -

In order to simplify the conditions that would allow an initial settlement discussion to occur with Jack, I am willing to drop most of my previous requirements, including the requirement to write a letter of apology to all investors. There are just two essential things that I will insist upon receiving before any discussions can commence:

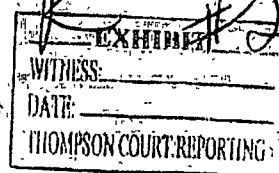
1) Delivery to me through you of all original invoices, receipts, statements or any other documents that support all expenditures for each of the 6 Land Trusts from inception to September 30, 2012.

2) Payments of \$10,000 to SOLT II and \$7,000 to SOLT IV to replace deposit monies received in July, 2012 for new timber cutting contracts. These contracts need to be voided to protect the value of the properties, but there is no money available to refund the deposits.

Only after I have received both of the above items will I be willing to schedule an initial discussion with Jack at a neutral site - probably the conference room in your office if it is available.

Rich

 Winmail.dat
7K



I.D. Only

ROA_2540

2621

	Original											
	<u>SOLT</u>	<u>SOLT II</u>	<u>SOLT III</u>	<u>SOLT IV</u>	<u>SOLT V</u>	<u>SOLT VII</u>	<u>Totals</u>	<u>SOE</u>	<u>Totals</u>			
Acres	349	228	71	420	131	258	102%	66	95%	102%		
Total Raised	\$ 485,930	\$ 805,129	\$ -	\$ 1,193,423	\$ 231,999	\$ 573,771	\$ 3,290,252	\$ 399,219	\$ 3,689,471			
Land Purchase Cost	\$ 483,155	\$ 781,000	\$ 194,979	\$ 1,150,000	\$ 222,157	\$ 521,328	\$ 3,352,619	\$ 143,491	\$ 3,496,110	\$ 249,606	\$ 393,097	with greenhouse/plants
Price per Acre	\$ 1,384	\$ 3,531	\$ 2,746	\$ 2,738	\$ 1,771	\$ 2,224		\$ 2,174			\$ 5,956	
Acres sold	190 wetland			3.9								
Partial land sales	\$ 420,000			\$ 18,676								
Sale price per acre	\$ 2,210			\$ 4,789								
Acres Remaining	159			416								
Orig Cost-Sold part	\$ 63,155			\$ 1,131,324								
Listings Price	\$ 15,900,000	\$ 3,550,000										
	\$ 8,750,000											
	\$ 6,900,000											
Comps			2 A \$55,000									

EXHIBIT #20

WITNESS: _____

DATE: _____

THOMPSON COURT REPORTING

J.D.

ROA_2541

	Original	SOLT I	SOLT II	SOLT III	SOLT IV	SOLT V	SOLT VI	Totals	SOE	Totals:	
-Acres	349	228	71	420	131	258	102%	66	195%	102%	
Total Raised	\$ 485,930	\$ 805,129	\$ -	\$ 1,193,423	\$ 231,999	\$ 573,771	\$ 3,290,252	\$ 399,219	\$ 3,689,471		
Land Purchase Cost	\$ 483,155	\$ 781,000	\$ 194,979	\$ 1,150,000	\$ 222,157	\$ 521,328	\$ 3,352,619	\$ 143,491	\$ 3,496,110	\$ 249,606	\$ 393,097 with greenhouse/plants
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Sale price per acre	\$ 2,210			\$ 4,789							
Acres Remaining	159			416							
Orig Cost-Sold part	\$ 63,155			\$ 1,131,324							
Listings Price	\$ 15,900,000	\$ 3,550,000									
	\$ 8,750,000										
	\$ 6,900,000										
Comps	4,500,000			2A \$55,000							

*'Tigh from the Earth I heard a bird
he tread upon the trees*

—Ralph Waldo Emerson

Silver Oak Land Trust generates a stable tax efficient cash flow from timber tracts purchased in the southeastern United States. The primary intention is tree farming coupled with the potential opportunities of long term real estate holdings.



Home

Featured Tracts

Related Articles

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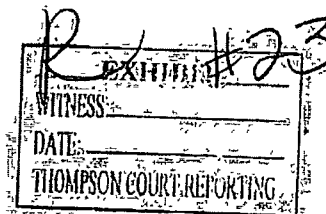
Silver Oak Land Trust purchases timber tracts of at least 150 acres of land. These tracts are dominated by loblolly and slash pines, which mature and are ready for full harvest by age 20-25 years. The pines at purchase time are in a merchantable age class. This allows for our harvest and replanting within three to six years. It is important to purchase the larger pine plantations to insure our ability to obtain the highest timber price. If the tract is too small, it is hard to generate competitive bidding.

Silver Oak Land Trust purchases pine plantations directly from industrial forest product companies and various pension or hedge funds. As a cash buyer, Silver Oak Land Trust can negotiate the best terms. There are no carrying costs and no lenders requiring releases prior to timber harvest.

Silver Oak Land Trust purchases pine plantations that have both great timber value and a potential higher and better use. In the southeast, we look for pine plantations that are near major forest products facilities and growing metropolitan areas. Ideally, the tracts are where two cities are converging on the region or a suburban area is encroaching on the rural land and where demographic research suggests that population growth will accelerate. These sites have access to a river, lake, stream, or the ocean to ensure a future higher and better use for the location.

Silver Oak Land Trust conducts timber thinning, harvesting, and replanting with consideration toward improving future development potential using the best silviculture practices possible. We improve on the internal network of roads on all the pine plantations. The best land planner we can hire assists us in developing a master plan.

Timber, as an asset class, has shown an average annual compounded return of over 11% for the past 30 years. We will try to beat the industry rate of return and enhance that with higher and better use sales.



Telephone Number: _____

E-mail address: _____

Signature: _____

Mail to:

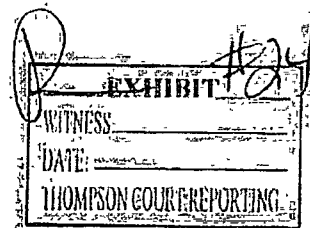
JACK MCINTYRE

Silver Oak Land Trust, LLC.

P.O. Box 22827

Hilton Head Island, SC 29925

Or Fax: 888-254-0820



--- On Sat, 11/19/11, Murray N. Reed <reedmurray@usa.net> wrote:

From: Murray N. Reed <reedmurray@usa.net>

Subject: 278

To: "'Jim Paris'" <jim@hiltonheadrealestate.com>, "'Jack McIntyre'" <jack@jackmcintyre.com>

Date: Saturday, November 19, 2011, 12:21 PM

Hola Partners,

Wow does time fly by. The 5th of December is right around the corner. Since time may be of the essence I thought I would write down my understanding of what we have agreed on. So this is how I understand it.

Jack has negotiated the note down to 500,000 total due.

SOLT I has to come up with 350000 cash on or about December 5th.

There will be no further payments until June 5th, and that will be 150000 cash which will finalize the note.

How does the 350000 get paid???

Two people have invested 100000 each which Jack is holding in escrow. He had to spend 12000 of that while dealing with Meridian.

So now we have:

188000 from two outside investors for which they will receive approximately 7.5% ??? of the deal each.

Money invested by the partners will use this same formula.

25000 from DavejeffLLC (buying additional interest)

64000 from Martin (buying additional interest)

ROA_2544

64000 from Murray (buying additional interest)

9000 from SOLT I timber ?????

350000.00

At this point we believe the money has to be available on or before Dec. 5th.

Jack and I and whoever else wants to be there, will be meeting with SOLT I's lawyer to draw up new paperwork, change of interest in properties etc. At that time I am changing my ownership to include Murray Jr as long as there are no objections from investors. Our lawyer will be handling the money transfer to the New Bank. Each investor needs to decide how to get the money to her in time.

I will head to Hilton Head about the 1st of December to work with Jack on this. At that time we will discuss with all partners how we get the 150000 to finish off note. After bills are paid we still have money left from timbering on Lake Murray and 278. After taking that into account and any other monies available we will know how much we have to find. Jack has other investors that might be interested. We all have to work on this.

Jack also has some ideas to make better use of the property. I am sure that all the partners will meet and discuss these things. We should put all this in writing as it is an ever changing landscape. We can get Martin involved via skype. The above is simply the way I understand things, I'm sure Jack can fill in more details and correct any math that might be a bit off. If this is not how any of you see it please let us know ASAP. Any input from partners will be greatly appreciated.

Time is flying by and we have to make sure we take advantage of the situation Jack has negotiated for us.

Thanks, Murray

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)

IN THE COURT OF COMMON PLEAS
 (CASE NO. 2014-CP-40-07917)

JOHN M. MCINTYRE AND SILVER
 OAK LAND MANAGEMENT, LLC.

Petitioners and Plaintiffs,

v.

SECURITIES COMMISSIONER OF
 SOUTH CAROLINA,

Respondent and Defendant.

RETURN TO PETITION

RICHLAND COUNTY
 FILED
 2015 JAN 16 AM 11:49
 JEANNETTE W. McBRIDE
 C.C.P. & C.S.

The Respondent in this matter, the Securities Commissioner of the State of South Carolina (the "Securities Commissioner"), in response to the Petitioners' Petition for Review filed on December 19, 2014, respectfully submits to the court this Return to Petition and requests that the court affirm and enforce the Order of November 20, 2014, referenced in the Petition for Review.

I. PROCEDURAL POSTURE

On April 19, 2013, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division") issued an Order to Cease and Desist naming John M. McIntyre and Silver Oak Land Management, LLC as Respondents. The Division in its Order to Cease and Desist alleged that the Respondents, jointly and severally, committed violations of S.C. Code Ann. § 35-1-501. Pursuant to their rights granted in the South Carolina Uniform Securities Act (the "Act"), the Respondents filed a timely Answer and Request for Hearing on June 3, 2013. The Securities Commissioner appointed a Hearing Officer in this matter (the

"Hearing Officer") and a hearing was held where witnesses were heard and evidence presented over four days (July 30, 2013, and October 1-3, 2013). Pursuant to S.C. Code Ann. § 35-1-609, a certified copy of the record of that proceeding has been filed with the court by the Securities Commissioner in conjunction with the filing of this Return.

On May 6, 2014, the Hearing Officer made a Report and Recommendation to the Securities Commissioner in which he recommended that the Securities Commissioner find that the LLC interests at issue in the matter were not securities and, therefore, the case should be dismissed (the "May 2014 Recommendation"). The Securities Commissioner declined to follow the Hearing Officer's recommendation because, as the Securities Commissioner found, the Hearing Officer's analysis was flawed because of an incorrect application of law. In a thirty-page Order dated September 12, 2014, the Securities Commissioner laid out in great detail the findings of fact and the law that supported his conclusion (the "September 2014 Order"). The Securities Commissioner concluded that the investments at interest in the matter were securities, found that dismissal at that juncture was inappropriate, and directed the Hearing Officer to make a Report and Recommendation as to whether any violation of S.C. Code Ann. § 35-1-501 had occurred.

On October 22, 2014, the Hearing Officer issued a Recommendation to the Securities Commissioner which found 78 violations of S.C. Code Ann. § 35-1-501 with regard to the Silver Oak Entities (the "October 2014 Recommendation").

On November 20, 2014, the Securities Commissioner issued an Order which concurred in the Hearing Officer's October 2014 Recommendation except with respect to the number of violations (the "November 2014 Order"). In his Order, the Securities Commissioner incorporated

pages five through twelve of the Hearing Officer's Recommendation but also, again in great detail, laid out specific evidentiary and factual findings to support his Order. The Securities Commissioner found that the misappropriation of money began in or around mid-2007 and therefore, "at that point, if not before," disclosures were required that were not ever provided. Therefore, the Securities Commissioner found that 54 offers or sales of securities occurred after mid-2007 and that 54 violations of section 501 occurred in connection with those offers or sales.

Pursuant to their rights provided in the Act, the Petitioners filed their Petition for Review in this court on December 19, 2014, asking the court to set aside, in whole or in part, the November 2014 Order. The Petitioners seem to be asking for relief based on two types of claims: (1) competent, material and substantial evidence does not exist to support the decision of the Securities Commissioner (Petition for Review, P. 16), and (2) the Petitioners have been denied Due Process and Equal Protection of the laws as guaranteed in the South Carolina and United States Constitutions (Petition for Review, P. 14 and 15). The Petitioners make no appeal based on errors of law.

II. STANDARD FOR THE JUDICIAL REVIEW OF ADMINISTRATIVE

FINDINGS OF FACT

The Act provides that:

A person aggrieved by a final order of the Securities Commissioner may obtain a review of the order in the Richland County Court of Common Pleas by filing in the court, within thirty days after entry of the order, a written petition praying that the order may be modified or set aside in whole or in part. The aggrieved person, upon filing a petition, may move before the court in which the petition is filed to stay the effectiveness of the Securities Commissioner's final order until such time as the court

Page 3 of 17

has reviewed the order. If the court orders a stay, the aggrieved person must post any bond set by the court in which the petition is filed. A copy of the petition must be served upon the Securities Commissioner, and the Securities Commissioner shall certify and file in court a copy of the filing and evidence upon which the order was entered. When these have been filed, the court has exclusive jurisdiction to affirm, modify, enforce, or set aside the order, in whole or in part. The findings of the Securities Commissioner as to the facts, if supported by competent, material, and substantial evidence, are conclusive.

S.C. Code Ann. § 35-1-609. The Petitioners seem to be relying on Section 609 to file their Petition for Review. The clear, unambiguous language of the statute indicates that the findings of fact as found by the Securities Commissioner are conclusive if supported by competent, material, and substantial evidence. The South Carolina Administrative Procedures Act (the "SCAPA") applies a slightly different test than what is required in the Act. The SCAPA applies a "clearly erroneous" test to judicial review of factual findings by administrative agencies. However, Section 609 of the Act is exempt from the SCAPA. The South Carolina Reporter's Comments to Section 609 state "This provision sets forth the procedure for judicial review of final orders of the Securities Commissioner. It continues existing law by excluding such review from the application of the Administrative Procedures Act and therefore varies from the uniform text."

However, a test for review can be guided by case law determining what "substantial evidence" means in application. In South Carolina, "it is well settled that in reviewing a decision by an administrative agency, this Court will not substitute its judgment for that of the agency concerning the weight of the evidence as to questions of fact." *Kearse v. State Health and Human Services Finance Com'n*, 318 S.C. 198, 200, 456 S.E.2d 892, 893 (1995). "Substantial evidence is defined as such evidence as a reasonable mind might accept as adequate to support a conclusion." *Id.* (citing *Lark v. Bi-Lo, Inc.*, 276 S.C. 130, 135, 276 S.E.2d 304, 307 (1981)). "The

findings of the agency are presumed correct and will be set aside only if unsupported by substantial evidence." *Id.* Therefore, it is the role of this court, in reviewing the matter, not to take evidence in excess of the record, but to determine if the record contains the requisite evidence needed to support the factual findings of the Securities Commissioner. "Furthermore, the burden is on the appellants to prove convincingly that the agency's decision is unsupported by the evidence: *Waters v. South Carolina Land Resources Conservation Com'n*, 321 S.C. 219, 226, 467 S.E.2d 913, 917 (1996) (citing *Hamm v. AT&T*, 302 S.C. 210, 394 S.E.2d 842 (1990)).

The findings of fact of the Securities Commissioner in this matter relate to two matters: (1) whether the membership units at issue are securities, and (2) if so, whether fraud occurred in connection with the offer or sale of those securities. Whether or not a particular investment constitutes a security is a mixed question of law and fact. *Garrett v. Snedigar*, 293 S.C. 176, 359 S.E.2d 283 (Ct.App. 1987) (holding that the Circuit Court erred in ruling as a matter of law that partnership interests constituted securities as defined by the Uniform Securities Act because further inquiry into the facts was needed to determine how control was allocated). The Petitioners raise no objections to the law applied to the facts to determine whether or not the interests were securities or whether fraud occurred in connection with the offers and sales of those securities. Therefore, we only look to whether or not competent, material, and substantive evidence exists to support the findings of fact.

**III. COMPETENT, MATERIAL, AND SUBSTANTIAL EVIDENCE CLEARLY
EXISTS TO SUPPORT THE SECURITIES COMMISSIONER'S FINDINGS
OF FACT**

There can be no question that competent, material, and substantial evidence exists to support the findings of fact found by the Securities Commissioner as to whether or not the interests in this matter were securities. Rather than restate the findings of fact here, we direct the court to the Orders themselves. The Securities Commissioner cites thoroughly to the operating agreements in question to determine that the managerial power lies solely in the hands of the managers, the Petitioners in this matter. See, September 2014 Order pg. 7. The Securities Commissioner cites to the offering documents, the testimony of Mr. McIntyre, the testimony of Phil Hartman, an investor in Silver Oak Land Trust IV (SOLT IV), the testimony of Rich Silver, an investor in several Silver Oak entities and manager of the land trust entities after the Petitioners, the testimony of James Paris, a witness for the Petitioners and an investor in many of the Silver Oak entities, the testimony of Paul Finn, an investor in several Silver Oak entities, and other evidence to show that the management of the Silver Oak entities in reality followed the form displayed in the operating agreements. See, September 2014 Order pgs. 8-13. Further, the Securities Commissioner cited to email communications sent among the investors and from various investors to the Petitioners to counter the erroneous test used by the Hearing Officer in his analysis. See, September 2014 Order pg. 19. The September 2014 Order makes clear that the Securities Commissioner found overwhelming evidence for each point needed to reach his conclusion.

The Petitioners, who have the burden in this proceeding, offer no evidence and do not cite to anything in the record to show that any evidence exists to counter the Securities Commissioner's finding that the investments at issue are securities. The Petitioners have failed to offer anything in the record to attempt to tip the scales in their favor. In fact, one of the few items in the record that the Petitioners reference in any respect is the operating agreements. However, even the Petitioners offer them to show that the managers retained all authority to do whatever they wanted. This supports the Securities Commissioner's finding that the structure of these entities lends itself to a finding that the investments were securities; it does not counter it. As the Petitioners seem to argue, all power resided in the manager's hands. When faced with a well-developed record, an order that cites to numerous specific examples in the record to support the order, and Petitioners who cannot point to anything in the record to support their contention that competent, material, and substantial evidence does not exist, the court is offered but one conclusion. Competent, material, and substantial evidence, in fact overwhelming evidence, exists to support the Securities Commissioner's finding that the investments at issue are securities.

The other factual inquiry involved in the Securities Commissioner's findings is the finding that violations of S.C. Code Ann. § 35-1-501 occurred in connection with the offer and sale of the securities at issue. Again, competent, material, and substantive evidence to support the finding of violations is easy to find. In the November 2014 Order, the Securities Commissioner adopted the factual findings announced in pages five through twelve of the Hearing Officer's October 2014 Recommendation. The Securities Commissioner also made findings of fact of his own and documented them with multiple references to the transcript and exhibits.

In the October 2014 Recommendation, the Hearing Officer relied on the operating agreements and testimony to prove the purpose of each entity. See, October 2014 Recommendation, pgs. 5-6. The Hearing Officer noted several instances in the records where the individual Respondent, Mr. McIntyre, admitted to omitting to tell investors in connection with the offer and sale of the securities about certain uses of the investors' money. See, October 2014 Recommendation pgs. 8-12. The Hearing Officer then relied on the bank records, accounting records, and the testimony of Sandra Matthews, an auditor with the Securities Division, and Rich Silver to show that the money was used in a manner contrary to the purpose of the entity and contrary to what was communicated to the investors in connection with the offer and sale of the securities. See, October 2014 Recommendation, pgs. 8-12. Further, the testimony of Mr. McIntyre himself, as noted by the Hearing Officer, details the omissions and misstatements made and the personal nature of expenses taken.

To the body of evidence noted and cited by the Hearing Officer, the Securities Commissioner additionally cited several other items in the record in his November 2014 Order. The Securities Commissioner found that "a central problem with the way memberships in the SOLT entities were offered and sold relates to what investors were not told." November 2014 Order, pg. 3. The Securities Commissioner found that the Respondents represented to investors that their compensation was to be only a stated and defined percentage of the companies or, for two entities, a 15% of revenue management fee. *Id.* The Securities Commissioner found that no disclosure was made to investors in connection with the offer and sale of the securities, in the operating agreements or otherwise, that the "Respondents intended or reserved the right to use investor funds or entity assets to pay themselves substantial undisclosed, unauthorized

compensation or management fees, much less to pay for personal expenses of Mr. McIntyre and Mr. McIntyre's family..." November 2014 Order, pgs. 3-4.

Further, the Securities Commissioner referenced the evidence adduced at the hearing which identified discrepancies between the accounting records kept by the Petitioners and the bank records which reflected the true identity of the payees. See, November 2014 Order, pg. 7: "The changes in reporting appeared to reflect efforts to disguise personal charges as business-related charges, such as by recording Home Depot as the vendor, when payments really went to a jeweler and to Vanderbilt University and Wake Forest University for application fees." *Id.* The Securities Commissioner, therefore, further relied upon the bank records, the accounting records, and testimony in finding that violations of S.C. Code Ann. § 35-1-501 occurred.

Again, it is clear that the Securities Commissioner's finding of fraud was clearly supported by competent, material, and substantial evidence. There can be no question, in the face of this mountain of evidence and after reviewing the entire record, that a reasonable mind would conclude the evidence is adequate to support the Securities Commissioner's conclusion.

IV. THE PETITIONERS' DUE PROCESS RIGHTS WERE NOT VIOLATED

The Petitioners argue that they "have been deprived of life, liberty, or property without any meaningful opportunity to be heard," in violation of the Due Process and Equal Protection clauses of both the United States and South Carolina Constitutions. *Petition for Review*, P. 14-15. The Petitioners' objections seem to be threefold: (1) The investigative and prosecutorial roles were conducted by the Securities Division of the Office of the Attorney General while the adjudicative role was performed by the Securities Commissioner and his appointed Hearing

Officer, an employee of the Attorney General's Office not a member of the Securities Division; (2) There were no promulgated rules regarding the burden of proof, the admission of evidence, discovery of evidence, and the issuance of subpoenas; and (3) that simultaneous to the Securities Division administrative proceeding, a parallel criminal investigation was being conducted by another division of the Attorney General's Office.

It is important to note at the outset that administrative adjudicators have a presumption of honesty and integrity. *Kizer v. Dorchester County Vocational Educ. Bd. of Trustees*, 287 S.C. 545, 552, 340 S.E.2d 144, 148 (1986) (citing *Winthrow v. Larkin*, 421 U.S. 35, 47 (1976)). Further, "in order to disqualify a hearing tribunal, actual bias rather than a mere potential for bias must be shown." *Id.*

A substantially similar process to the one complained of here was upheld by the South Carolina Supreme Court. *Majors v. South Carolina Securities Comm'n*, 373 S.C. 153, 644 S.E.2d 710 (2007). While decided under the previous securities act, the process and issues seem to have no distinguishable legal difference from those at issue here. In that case, the Securities Commissioner issued a Cease and Desist Order. The Respondent in that matter exercised his right to request a hearing on the matters therein. The Securities Commissioner appointed a hearing officer, and a public hearing was held over two days. After the hearing, the hearing officer issued a report and recommendation. The Commissioner issued a final cease and desist order adopting many of the hearing officer's recommendations. It is unclear from the opinion whether the Securities Commissioner rejected some of the hearing officer's conclusions.¹ The

¹ In a paragraph describing the hearing officer's recommendations, the court states, "However, the Commissioner opined the Final Order should exclude any reference to TLA making 'material misrepresentations and/or omissions'."

court found that the Respondents in that matter had been afforded due process. *Majors*, 373 S.C. at 162.

The initial cease and desist order provided them with the right to a hearing, which they requested and were afforded by an independent Hearing Officer. Thereafter, they were permitted to appeal the [Securities] Commissioner's Final Cease and Desist Order, and were allowed to post a bond to stay enforcement of that order pending appeal.

Id.

The only distinguishable factual difference between the matter at hand and the *Majors* case is that the appointed hearing officer is a member of the Attorney General's Office staff. However, "the fact that investigative, prosecutorial, and adjudicative functions are performed within the same agency, or even performed by the same persons within an agency, does not, without more, constitute a violation of due process." *Id.* at 161 (quoting *Garris v. Governing Board of S.C. Reinsurance Facility*, 333 S.C. 432, 433, 511 S.E.2d 48, 54 (1998)). The inquiry of whether due process has been afforded, therefore, depends on whether the adjudications are conducted by impartial administrative bodies. *Majors*, at 160 (citing *Ross v. MUSC*, 328 S.C. 51, 492 S.E.2d 62 (1997)), see also, *Babcock v. Office of Audits*, 286 S.C. 398, 334 S.E.2d 112 (1985). "Partiality exists where an adjudicator either has ex parte information as a result of a prior investigation or has developed, by prior involvement with the case, a will to win." *Majors*, 373 S.C. at 161, 644 S.E.2d at 714. In *Majors*, the court found that the Securities Commissioner, acting in a substantially similar capacity as in this matter, did provide an impartial adjudication. *Id.* at 162. "Unlike [Ross and Garris], the Commissioner did, in this instance, appoint a Hearing

in connection with its sale of TLCs, and should not pursue any criminal or civil penalties." *Majors*, 373 S.C. at 158 (emphasis added).

Officer to take evidence and make a report and recommendation. Further, the Commissioner did not personally participate in the gathering of the evidence before the Hearing Officer, and there is no evidence he discussed the underlying case with the Hearing Officer." *Id.* The Petitioners make no allegation, nor could they, that the Securities Commissioner had ex parte information as a result of a prior investigation nor that he developed, by prior involvement with this case, a will to win.

If the Securities Commissioner, as the ultimate adjudicator, is deemed impartial, there can be no logical basis for the assertion that an employee of his, acting as hearing officer, is, by nature of his employment, partial. Further, no allegation of ex parte information or a will to win, has been asserted. Again, as the South Carolina Supreme Court has said, "the fact that investigative, prosecutorial, and adjudicative functions are performed within the same agency, or even performed by the same persons within an agency, does not, without more, constitute a violation of due process." *Id.* at 161 (quoting *Garris v. Governing Board of S.C. Reinsurance Facility*, 333 S.C. 432, 433, 511 S.E.2d 48, 54 (1998)).

In fact, there is a significant body of law holding that internal agency adjudications do not violate an individual's due process rights. While the Petitioners do not allege that the Securities Commissioner engaged in any aspect of any investigative or prosecutorial function as it relates to this matter, case law upholding such actions is illuminating. The United States Supreme Court upheld an administrative agency structure in which a medical board investigated a matter, presented charges to a district attorney, and also adjudicated the merits of the same matter. *Winthrow v. Larkin*, 421 U.S. 35 (1975). The Court found that "the case law, both federal and state, generally rejects the idea that the combination (of) judging (and) investigating functions is

a denial of due process..."*Id.* at 52 (citing 2 K. Davis, *Administrative Law Treatise* s 13:02, p. 175 (1958)). The Securities Commissioner's role in this matter was much more segregated than the roles approved by the Supreme Court.

Next, the Petitioners argue that because no rules have been promulgated by the Securities Division regarding the conduct of its administrative hearings, the Petitioners were denied a fair hearing. First of all, the Petitioners' assertion that S.C. Code Ann. § 35-1-605² expressly requires

² The Petitioners actually cite to S.C. Code Ann. § 36-1-605. As no such code section exists, the State has understood this to be a scrivener's error and will treat this as a reference to S.C. Code Ann. § 35-1-605, which is part of the Securities Act. S.C. Code Ann. § 35-1-605 reads in its entirety:

(a) The Securities Commissioner may:

- (1) issue forms and orders and, after notice and comment, may adopt and amend rules necessary or appropriate to carry out this chapter and may repeal rules, including rules and forms governing registration statements, applications, notice filings, reports, and other records;
- (2) by rule, define terms, whether or not used in this chapter, but those definitions may not be inconsistent with this chapter;
- (3) by rule, classify securities, persons, and transactions and adopt different requirements for different classes; and
- (4) establish fees for filings under Section 35-1-504, filings required or permitted by rule or order adopted pursuant to this section, and other miscellaneous filings for which no fees are otherwise specified by law.

(b) Under this chapter, a rule or form may not be adopted or amended, or an order issued or amended, unless the Securities Commissioner finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this chapter. In adopting, amending, and repealing rules and forms, Section 35-1-608 applies in order to achieve uniformity among the States and coordination with federal laws in the form and content of registration statements, applications, reports, and other records, including the adoption of uniform rules, forms, and procedures.

(c) Subject to Section 15(h) of the Securities Exchange Act and Section 222 of the Investment Advisers Act of 1940, the Securities Commissioner may require that a financial statement filed under this chapter be prepared in accordance with generally accepted accounting principles in the United States and comply with other requirements specified by rule adopted or order issued under this chapter. A rule adopted or order issued under this chapter may establish:

- (1) subject to Section 15(h) of the Securities Exchange Act and Section 222 of the Investment Advisers Act of 1940, the form and content of financial statements required under this chapter;
- (2) whether unconsolidated financial statements must be filed; and
- (3) whether required financial statements must be audited by an independent certified public accountant.

(d) The Securities Commissioner may provide interpretative opinions or issue determinations that the Securities Commissioner will not institute a proceeding or an action under this chapter against a specified person for engaging in a specified act, practice, or course of business if the determination is consistent with this chapter. A rule adopted or order issued under this chapter may establish a reasonable charge for interpretative opinions or determinations that the Securities Commissioner will not institute an action or a proceeding under this chapter.

(e) A penalty under this chapter may not be imposed for, and liability does not arise from conduct that is engaged in or omitted in good faith believing it conforms to a rule, form, or order of the Securities Commissioner under this chapter. The burden of proving good faith rests on the person claiming reliance.

the publication of rules governing hearings is a misconstruction of the statute. The statute merely provides the ability and discretion to promulgate rules in general; it does not mandate any rules. Second, the Petitioners do not identify any harm or error that resulted from any lack of rules. In fact, the Petitioner states that there was no established method by which the Petitioners could discover evidence in the possession of the Securities Commissioner, yet after merely asking the Division, the Petitioner admitted they received what they needed in order to assess the case and try it. *Transcript 1*, pg. 25. Further, the Petitioners complain of no established method for the Petitioners to subpoena witnesses, but when the Petitioners requested, the Petitioners received subpoenas from the Hearing Officer and were able to serve two subpoenas. *Transcript 1*, pg. 25. No discovery requests or requests for the issuance of any subpoenas were denied to the Petitioners. The Petitioners complain of no ascertainable burden of proof. However, a substantial body of law as outlined in the Securities Division's proposed order to Hearing Officer, the May 2014 Recommendation, the October 2014 Recommendation, and applied by the Securities Commissioner in the November 2014 Order, clearly identifies that the State bears a burden of proof by a preponderance of the evidence. The Petitioners do not complain that this burden was applied in error. Further, while the Petitioners complain of a lack of standards for the admission of evidence, they do not specifically allege any error, let alone reversible error, as a result. "An administrative or quasi-judicial [sic] body is allowed a wide latitude of procedure and not restricted to the strict rule of evidence adhered to in a judicial court." *Jacoby v. South Carolina State Bd. of Naturopathic Examiners*, 219 S.C. 66, 90, 64 S.E.2d 138, 149 (1951). It is clear that any lack of rules did not result in a denial of due process rights.

(f) A hearing in an administrative proceeding under this chapter must be conducted in public unless the Securities Commissioner for good cause consistent with this chapter determines that the hearing will not be so conducted.

The Petitioners also mention that "an investigator and then an attorney from the criminal branch of the Securities Division of the Attorney General's Office, both of whom purported to know nothing about the Initial Report issued by the Hearing Officer, sought to question the individual Petitioner McIntyre." *Petition for Review*, pg. 4. The Securities Division of the Attorney General's Office is a civil and regulatory entity. The area has no means, mechanism, or ability to indict or otherwise bring criminal charges. Accordingly, there is no "criminal branch of the Securities Division of the Attorney General's Office." However, whether the Petitioner is referring to the presence of a parallel proceeding or being faced with a choice regarding whether to testify or assert his Fifth Amendment right against self-incrimination, a considerable body of case law counters any such argument. We merely quote the South Carolina Court of Appeals citing to this body of law:

United States v. Kordel, 397 U.S. 1, 11, 90 S.Ct. 763, 25 L.Ed.2d 1 (1970) (holding that simultaneous civil and related criminal proceedings do not constitute "unfairness and want of consideration of justice" requiring reversal of a criminal conviction); *Peiffer v. Lebanon Sch. Dist.*, 848 F.2d 44, 46 (3rd Cir.1988) (holding there was no constitutional requirement that the administrative hearing be postponed pending disposition of the criminal charges); *Wimmer v. Lehman*, 705 F.2d 1402, 1406-1407 (4th Cir.1983), *cert. denied*, 464 U.S. 992, 104 S.Ct. 484, 78 L.Ed.2d 681 (1983) (same); *387 *Hoover v. Knight*, 678 F.2d 578, 581 (5th Cir. 1982) ("Many cases have held that parallel criminal and civil trials or investigations do not raise questions of constitutional magnitude with respect to the privilege against self-incrimination."); *Diebold v. Civil Serv. Comm'n of St. Louis County*, 611 F.2d 697, 700-01 (8th Cir.1979) (holding that the Fifth Amendment presents no obstacle to parallel criminal and administrative proceedings); *Arthurs v. Stern*, 560 F.2d 477, 478-80 (1st Cir.1977), *cert. denied*, 434 U.S. 1034, 98 S.Ct. 768, 54 L.Ed.2d 782 (1978) (holding that a physician accused of writing illegal prescriptions was not entitled, by virtue of his right to be free of coerced self-incrimination, to continuance of disciplinary proceedings until the criminal charges arising out of the same

conduct were resolved); *Gabrilowitz v. Newman*, 582 F.2d 100, 104 (1st Cir.1978) (holding that the fact that parallel proceedings force a defendant to make a difficult choice as to whether to testify does not of itself violate the constitution); *United States v. Robinson*, 543 F.2d 951, 961-62 (2nd Cir.), *cert. denied*, 429 U.S. 850, 97 S.Ct. 139, 50 L.Ed.2d 124 (1976) (holding that the Fifth Amendment right against self-incrimination was not prejudiced by a prior administrative proceeding based on the same facts); *State ex rel. Okla. Bar Ass'n v. Gasaway*, 863 P.2d 1189, 1195-98 (Okla.1993) (holding a continuance of lawyer disciplinary proceedings pending resolution of related criminal proceedings is not constitutionally required); *Giampa v. Ill. Civil Serv. Comm'n*, 89 Ill.App.3d 606, 44 Ill.Dec. 744, 411 N.E.2d 1110, 1116 (1980) (holding there is nothing inherently repugnant to due process in requiring a party to choose between giving testimony at a disciplinary hearing and keeping silent, even though giving testimony at the hearing may damage his criminal case and keeping silent will most likely lead to loss of his employment).

South Carolina Department of Social Services v. Walter, 369 S.C. 384, 386-7, 631 S.E.2d 913, 914 (2006). In *Walter*, the court denied an appeal based on the fact that pending criminal charges influenced the appellant's decision whether to testify in a family court action and thus, influenced his ability to defend the action in family court. *Id.* Because of the reasons set forth above, it is clear that the Petitioners' due process rights have not been violated.

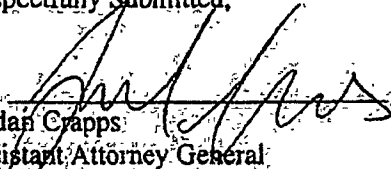
V. PRAYER FOR RELIEF

Therefore, the Respondent in this matter, the Securities Commissioner of the State of South Carolina, prays that the Court:

- a. Find that the factual findings found by the Securities Commissioner are supported by competent, material, and substantial evidence, and therefore, are conclusive;
- b. Find that the Petitioners were afforded the due process guaranteed by the United States and South Carolina Constitutions;

- c. Affirm the Securities Commissioner's September 2014 Order and November 2014 Order;
and
d. Enforce the remedies ordered in the November 2014 Order.

Respectfully Submitted,

By: 
Jordan Crapps
Assistant Attorney General
Securities Division
Office of the Attorney General
State of South Carolina

January 16, 2015
Columbia, South Carolina



ALAN WILSON
SECURITIES COMMISSIONER

January 16, 2015

VIA HAND DELIVERY

Honorable Jeanette W. McBride
Clerk of Court, Richland County
Richland County Judicial Center
1701 Main Street, Room 205
Columbia, South Carolina 29201

Re: Case No. 2014-CP-40-07917

Dear Ms. McBride:

Enclosed please find a certified copy of the record of the administrative proceeding in this matter. This record is being filed pursuant to S.C. Code Ann. § 35-1-609. We have, out of an abundance of caution in fulfilling our statutory duty, included proposed orders filed in this matter. If there are any questions or comments, please do not hesitate to contact me.

Sincerely,

Thresechia Navarro

Thresechia Navarro
Clerk, Securities Division
Office of the Attorney General
State of South Carolina
(803) 734-9916

Enclosures

Cc: Rob Mathison, Esquire

THE STATE OF SOUTH CAROLINA
Richland County Court of Common Pleas

Case No. 2014-CP-40-07917

JOHN M. McINTYRE AND SILVER
OAK LAND MANAGEMENT, LLC.

Petitioners and Plaintiffs,

v.

SECURITIES COMMISSIONER OF
SOUTH CAROLINA,

Respondent and Defendant.

CERTIFIED RECORD

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INDEX

Order to Cease and Desist	A
Request for Hearing and Answer	B
Proposed Order of Securities Division	C
Proposed Order of Respondent	D
Report and Recommendations of May 6, 2014	E
Proposed Order of the Securities Division	F
Proposed Order of Respondent	G
Order of September 12, 2014	H
Recommendation of October 22, 2014	I
Order of November 20, 2014	J
Testimony of July 30, 2013	K
Exhibits of July 30, 2013	L
Testimony of October 1-3, 2013	M
Exhibits of October 1-3, 2013	N
Certification	O

CERTIFICATE

The undersigned hereby certifies that this record, submitted by the Securities Division of the Office of the Attorney General of the State of South Carolina, embodies the record of the proceedings in this matter.

CERTIFIED TO BE A TRUE AND CORRECT
COPY AS TAKEN FROM AND COMPARED WITH
THE ORIGINAL ON FILE IN THIS OFFICE

Thresechia P. Navarro

THRESECHIA P. NAVARRO
OF THE ATTORNEY GENERALS OFFICE
OF SOUTH CAROLINA

DATE: *January 10, 2015*

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

IN THE COURT OF COMMON PLEAS
Civil Action Number: 2014-CP-40-07917

JOHN M. MCINTYRE AND SILVER
OAKLAND MANAGEMENT, LLC

Appellants,

v.

SECURITIES COMMISSIONER OF
SOUTH CAROLINA,

Respondent.

RETURN TO APPELLANTS
MOTION TO ALTER OR
AMEND ORDER.

The Respondent in this matter, the Securities Commissioner of the State of South Carolina (the "Securities Commissioner"), in response to the Petitioners' Motion filed on May 28, 2015, respectfully submits to the court this Return. The Securities Commissioner, for the reasons stated below, asks the court to deny the Appellants' motion.

I. THE APPELLANTS' MOTION SHOULD BE DISMISSED AS
INAPPROPRIATE AT THIS JUNCTURE

The Appellants have moved before this court pursuant to Rules 52(b) and 59(e), SCRPC requesting the court amend or modify its order dated May 7, 2015. The Appellants ask the court to amend the order to include answers to specific questions.

This matter is before the court on appeal from decision of the Securities Commissioner pursuant to S.C. Code, Ann. Section 35-1-609. Section 609 states, "[t]he findings of the Securities Commissioner as to the facts, if supported by competent material and substantial evidence, are conclusive." "An administrative body must make findings which are sufficiently detailed to enable this Court to determine whether the findings are supported by the evidence and whether the law has been applied properly to those findings." *Kiawah Property Owners Group v.*

Public Service Commission of South Carolina, 338 S.C. 92, 95-6 (S.C. 1999) (Quoting, *Porter v. S.C. Public Serv. Comm'n.*, 333 S.C. 12, 507 S.E.2d 328). The circuit court, on appeal from an administrative agency, sits as a reviewing court, determining whether the agency's decision is supported by substantial evidence in the record. *Id.* at 97.

The court's role in this matter was not to make findings of fact, but rather to determine whether or not the record supports the factual findings of the Securities Commissioner with competent, material, and substantial evidence. Therefore, asking the court to restate with additional specificity any factual findings would be beyond the court's role in this matter and beyond the scope of Rule 52(b), SCRCP, which is directed to findings of fact.

In the Appellants' original petition to this court, the Respondent did not complain of any lack of specificity or request that the court ask the Securities Commissioner to restate with further specificity any of his findings of fact or conclusions of law. Further, no such request was filed or made to the Securities Commissioner directly. Both because the Appellants failed to make the request in their initial appeal to this court and because it is not the responsibility of this court to determine the answers to specific questions Appellants may assert, the court should deny Appellants' requests.

**II. THE APPELLANTS' MOTION SHOULD BE DISMISSED AS
INAPPROPRIATELY PLEAD**

Rule 7(b), SCRCP, requires that all motions "shall state with particularity the grounds therefor, and shall set forth the relief or order sought." There are three grounds for awarding a Rule 59(e) motion to alter or amend a judgment: "(1) to accommodate an intervening change in controlling law; (2) to account for new evidence not available at trial; or (3) to correct a clear error of law or prevent manifest injustice." *Pacific Life Insurance Company v. American*

National Fire Insurance Company, 148 F.3d 396, 403 (4th Cir. 1998). The Appellants have not availed themselves of any of these grounds. Thus, they have failed to state with particularity the grounds for the Rule 59(e) motion.

Rule 52(b), SCRCF is substantially similar to Rule 52(b), FRCP and thus, federal law is instructive. Rule 52(b) is intended to "enable the appellate court to obtain a correct understanding of the factual issues determined by the trial court as a basis for the conclusions of law and judgment entered thereon." *U.S. v. Carolina Eastern Chemical Company, Inc.*, 639 F.Supp 1420 (D.S.C., Columbia 1986). A 52(b) motion "must raise questions of substance by seeking reconsideration of material findings of fact or conclusions of law to prevent manifest injustice or reflect newly discovered evidence." Miller, *9C Fed Prac. & Proc. Civ.* § 2582 (3d ed.). The Appellants have not argued that the findings of the court are insufficient or that the court has failed to provide the basis for its findings. Moreover, as noted above, the role of this court was not to make findings of fact. Further, the Appellants have not argued that manifest injustice would occur absent amendment. Therefore, the Appellants have failed to state with particularity the grounds for the Rule 52(b) motion.

Further, it is unclear from the Appellants' motion what relief they seek. The motion merely requests the court to specify certain issues, factual in nature, that may or may not relate to the underlying decisions. The motion does not provide any specific alternative findings which it proposes to amend or alter the court's order with. Therefore, the Appellants have failed to plead with particularity the relief or order sought.

Because the Appellants' motion fails to plead the grounds therefor and the relief sought with the appropriate particularity, the Respondent requests the court deny the Appellants' motion.

III. THE COURT'S ORDER AND THE SECURITIES COMMISSIONER'S

ORDER SHOULD NOT BE AMENDED OR ALTERED

The Order Affirming the Decision of the Securities Commissioner (the "Order"), especially when read in conjunction with the Securities Commissioner's order it upheld, clearly addresses any concerns the Appellants reference in their motion. The orders, separately and in conjunction with one another, provide a full and fair development of all the issues relevant to deciding the matter, including the matters raised by the Appellants in their motion.

The Appellants first request the court to "specify, with respect to each of the seven limited liability companies formed by the Plaintiffs and others, what act or omission by either Plaintiff, 'made in connection with the offer, sale, or purchase of a security' constituted [a violation of S.C. Code Ann. § 35-1-501]."²² Appellants' *Notice of Motion and Motion*. This is clearly a request for this court to make additional findings of fact and as such should be denied for the reasons stated above. However, to address the issue at hand, the Order clearly states that after review of the record, substantial evidence exists to support the Securities Commissioner's finding that Appellants violated S.C. Code Section 35-1-501(2). The Order goes on to explain three ways in which the Appellants specifically violated the law. The Order indicates first, the Appellants took fees in excess of what was stated in the operating agreements and what was disclosed to the investors; Appellants, by taking excess fees, cause their prior statements to investors, as well as their statements in the operating agreements, to be untrue statements of material facts, as well as omissions of material facts. Further, contrary to statements made to

investors at the time of the offer and sale of the security at issue regarding the use of funds, the Appellants used investor funds for personal expenses. Third, as the court specifically explains in the Order, the Appellants omitted to state to investors that an investment in one entity would be used to support other entities the Appellants managed. This comingling of funds exposed investors to the risks of each entity rather than the one in which they thought they were investing. That investor funds would be used both for personal expenses and to support entities in which an investor did not invest are material facts which were misstated or omitted by the Appellants during the solicitation of investments. The examples above demonstrate the Order provided a detailed analysis of the findings against the Appellants such that no further specification is needed.

The Appellants' second request is for the court to specify whether any of the false and misleading statements "also amounted to the misstatement of a presently existing fact that related to the security being offered, sold or purchased." *Appellants' Notice of Motion and Motion*. The Appellants seem to be requesting the court address something that is beyond the statute. There is no requirement in the statute that the false or misleading statement be related to a presently existing fact. The issue the Appellants address, if required, would impose a scienter requirement on the statute that does not exist. (See, S.C. Code Ann. Section 35-1-501, Cmt. 6, "...civil and administrative enforcement actions under Sections 603 and 604, where no culpability is required to be pled or proven."). The Appellants need not have acted with the intent to deceive or even knowledge that it was false. This is consistent with the U.S. Supreme Court's holding that the Securities and Exchange Commission need not prove scienter for violations of 17(a)(2) and (3) which mirrors S.C. Code Ann. Section 35-1-502(2) and (3). *Aaron v. SEC*, 446 U.S. 680 (1980). The court need not address an issue that is beyond the statute.

However, any concerns of the Appellants have been resolved by the Securities Commissioner when he stated that the misappropriation of investor monies began at least by the middle of 2007. *Securities Commissioner Order dated November 20, 2014*, pg. 10. The Securities Commissioner subsequently reduced the number of violations because once the Appellants began misappropriating investor funds, disclosures should have been forthcoming and were not. Clearly, as explained by the Securities Commissioner in the order upheld by this court, the misappropriation of funds, the management style, and the risks associated with both were, as of the middle of 2007, presently existing facts.

The Appellants' third request for specification is also unavailing. The Appellants request the court "to specify when organized entities in which the Plaintiffs have an interest are properly to be treated as entirely separate and discrete, such as for purposes of condemning loans between them, even though, in many instances, the members of the borrower and the lender were the same." *Appellants' Notice of Motion and Motion*. First of all, no two entities currently have the same membership. But more importantly, the Securities Commissioner found, and the court affirmed, that the loans the Appellants refer to constitute a consistent and persistent comingling of the funds which exposed the investors in one entity to "the financial risks faced by a completely different business." *Securities Commissioner Order dated November 20, 2014*, pg. 4.

The Appellants' fourth request asks the court to "specify when otherwise separate and discrete organized entities in which the Plaintiffs have an interest may be aggregated so as to disregard their independence such that paying a personal expense in Silver Oak Land Trust would make the manager culpable unless he disclosed that payment in forming an entirely new entity such as SOLT III, in which no similar indiscretion had, or could have occurred."

Appellants' Notice of Motion and Motion. The Securities Commissioner addresses this issue directly:

The record reflects that Respondents began to misappropriate investor money by at least mid-2007. Clearly, at that point, if not before, risk factors existed that called for explicit, detailed disclosure, which was never forthcoming. Among those risk factors were the possibility of financial harm resulting from Respondents' failure to implement and adhere to proper internal controls, as well as the dangers posed by Respondents' greed and their willingness to self-deal with and commingle investor provided entity funds.

Securities Commissioner Order dated November 20, 2014, pg. 10. The central fraud which occurred in this matter as described clearly by the Securities Commissioner, was the Appellants' representations that an investor's funds would be used in furtherance of the entity in which that investor invested when contrary to such representations, investor funds were both used for personal use and commingled among the various entities. The Appellants' fourth request also asks the court to address a hypothetical situation and as such should not be addressed by the court. This request has been sufficiently addressed by the Securities Commissioner and the court and thus should be denied.

The Appellants' last request asks the court "to specify which (and how many) of the 54 discrete memberships in the SOLT companies actually belonged to friends and relatives of the Plaintiffs and/or of the principals in Silver Oak Land Management and Dave-Jeff, LLC, none of whom claim to have been defrauded, and none of whom participated in the proceedings before the Securities Commissioner." *Appellants' Notice of Motion and Motion.* This request asks the court to make factual findings, perhaps beyond the record, that are not relevant to the case at hand. To ask for a clarification of the personal relationships among the investors suggests relationship makes a difference. Whether a violation of S.C. Code Ann. Section 35-1-501 has

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SC Court of Appeals

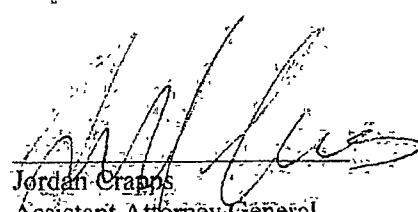
occurred is determined based on the existence of an untrue statement of material fact or the omission of material fact at the time of the offer or sale of the security. Materiality is determined based on what a reasonable shareholder would consider important in making an investment decision. An omitted fact is material if there is a substantial likelihood that the omitted fact would have been viewed by a reasonable investor as having significantly altered the total mix of information made available." *Basic v. Levinson*, 485 U.S. 224, 231-32 (1988). This standard is indifferent to relationships, complaints, or participation. However, the record reflects four investors, not including the Appellant, testified and participated in the proceedings. Further, while not relied upon by the Securities Commissioner or the court, the record reflects investor questionnaires sent by the Securities Division and returned by the investors. Even though the questionnaires did not ask for complaints, a majority of the returned questionnaires can easily be qualified as complaints.

IV. CONCLUSION

For the foregoing reasons, the Securities Commissioner asks the court to deny the Appellant's motion to alter or amend.

Respectfully submitted,

By:


Jordan Crapps
Assistant Attorney General
Securities Division
Office of the Attorney General
State of South Carolina

July 6, 2015
Columbia, South Carolina

STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY
The Honorable Tanya A. Gee., Circuit Court Judge

Appellate Case No. 2015-001845

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JAN 19 2018

SC Court of Appeals

John M. McIntyre and Silver Oak Land Management, LLC,

Appellant,

v.

Securities Commissioner of South Carolina,

Respondent.

**RESPONDENT'S MOTION TO TAKE JUDICIAL NOTICE OF ADJUDICATIVE
FACTS**

Pursuant to Rule 240, SCACR, and Rule 201(d), SCRE, Respondent moves that this Court take judicial notice of the documents from the Beaufort County Court of General Sessions attached hereto as Exhibits A, B, and C. Exhibit A is indictment 2015-GS-07-1901 and the corresponding sentence sheet. Exhibit B is indictment 2016-GS-07-2254 and the corresponding sentence sheet. Exhibit C is the corresponding plea agreement for the indictments in Exhibits A and B. These documents directly relate to the issues on appeal but were the result of judicial decisions that were made after the matter was decided below. Therefore, because these documents are court decisions and directly relevant to the present appeal, this Court should take judicial notice of them.

Respectfully Submitted,

ALAN WILSON
Securities Commissioner

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner
S.C. Bar No. 064317

IAN P. WESCHLER
Assistant Attorney General
S.C. Bar No. 101422

Office of the Attorney General
State of South Carolina
Securities Division
Post Office Box 11549
Columbia, SC 29211

ATTORNEYS FOR RESPONDENT

January 19, 2018.

Respondent's Exhibit A

STATE OF SOUTH CAROLINA

IN THE COURT OF GENERAL SESSIONS

COUNTY OF BEAUFORT
STATE

VS.

JOHN M. MCINTYRE

AKA:

Race: W

Sex: M

Age: 62

DOB:

SS#:

Address:

City, State, Zip: Port Orange, FL 32128

DL#

SID# SC 02233230

*CDL Yes ☐ No ☐ CMV Yes ☐ No ☐ Hazmat Yes ☐ No ☐

In disposition of the said indictment comes now the Defendant who was

INDICTMENT/CASE#: 2015 -GS- 07 - 1901

AW#:

Date of Offense: 6/23/2007

S.C. Code §: 16-13-230(B)(3)

CDR Code #: 3424

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was ☐ CONVICTED OF or ☒ PLEADS

TO: Breach of Trust with Fraudulent Intent, \$10K or more

In violation of § 16-13-230(B)(3) of the S.C. Code of Laws, bearing CDR Code # 3424

☒ NON-VIOLENT ☐ VIOLENT ☐ SERIOUS ☐ MOST SERIOUS ☐ Mandatory GPS ☐ §17-25-45(CSC w/minor 1st or Lewd Act)The charge is: ☒ As indicted, ☐ Lesser Included Offense, ☐ Defendant Waives Presentment to Grand Jury. (def.'s initials)The plea is: ☒ Without Negotiations or Recommendation, ☐ Negotiated Sentence, ☐ Recommendation by the State.

ATTEST:

Asst. Atty. General

76959

SC Bar #

Defendant

Attorney for Defendant

6999
SC Bar #

WHEREFORE, the Defendant is committed to the ☒ State Department of Corrections ☐ County Detention Center, for a determinate term of 10 days/months/years or ☐ under the Youthful Offender Act not to exceed years and/or to pay a fine of \$; provided that upon the service of days/months/years and or payment of \$; plus costs and assessments as applicable*; the balance is suspended with probation for 5 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

☒ CONCURRENT or ☐ CONSECUTIVE to sentence on: 12-14-16☐ The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections.☐ The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-65 (Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

☒ RESTITUTION: ☐ Deferred ☐ Def. Waives Hearing ☐ Ordered PTUP

Total: \$ plus 20% fee: \$ days/hours Public Service Employment

Payment Terms:

☐ Set by SCDPPPS

Recipient: Silver Oak Managers LLC Escrow Account

*Fine:

\$14-1-206 (Assessments 107.5%)	\$	\$
\$14-1-211 (A)(1)(Conv. Surcharge)	\$100	\$ 100 -
\$14-1-211 (A)(2)(DUI Surcharge)	\$100	\$
\$56-5-2995 (DUI Assessment)	\$12	\$
\$56-1-286 (DUI Breath Test)	\$25	\$
Proviso 61.6 (Public Def/Probation)	\$500	\$
\$14-1-212 (Law Enforce. Funding)	\$25	\$ 25 -
\$14-1-213 (Drug Court Surcharge)	\$150	\$
\$50-21-114 (BUI Breath Test Fee)	\$50	\$
\$56-5-2942(J) (Vehicle Assessment)	\$40/ea	\$
3% to County (if paid in installments)	\$	\$ 375

TOTAL

\$ 128.75

Clerk of Court/Deputy Clerk

Court Reporter:

SCCA/217 (07/2016)

Obtain GED ☐

Attend Voc. Rehab. Or Job Corp.

May serve W/E beginning

Substance Abuse Counseling

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$

\$

Other:

☐ Appointed PD or appointed other counsel, Proviso 61.6 requires \$500 be paid to Clerk during probation and shall be collected before any other fees.

Presiding Judge

Judge Code: 240

Sentence Date 12-14-16

Submitted - A True Copy
Jerrin Ann Rosebeau - Clerk of Court
Beaufort County, SC - Jerinifer Patron

WITNESSES

Lt. Lansing "Pete" Logan, SLED

ARREST WARRANT NUMBER

Direct Presentment

ACTION OF GRAND JURY**True Bill**Foreperson of Grand Jury
Date:**VERDICT**Foreperson of Petit Jury
Date:DOCKET NO. 2015-GS-07- 1901**The State of South Carolina**
County of Beaufort**COURT OF GENERAL SESSIONS**November 2015 TERM**THE STATE**

v.

JOHN M. MCINTYRE

Indictment for

BREACH OF TRUSTSC Code: § 16-13-230(3)
CDR Code: 3424
Class E FelonyAfter being fully advised as to my
legal rights, I hereby waive presentment
to the Grand Jury.

Defendant

I
hereby appear in my own proper person and
plead guilty to the within indictment or to

Defendant

Witness:

C.C.C. PLS. AND G.S.

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

INDICTMENT

At a Court of General Sessions, convened on November 19, 2015, the
Grand Jurors of Beaufort County present upon their oath:

BREACH OF TRUST

That on or about June 30, 2011, in Beaufort County, John M. McIntyre did
commit an act of Breach of Trust with fraudulent intent. To wit: John M.
McIntyre converted more than \$10,000 from Silver Oak Land Trust's bank
account to pay his personal property taxes. This was done in violation of
Section 16-13-230, *THE CODE OF LAWS OF SOUTH CAROLINA*, (1976), as
amended.

Against the peace and dignity of the State, and contrary to the statute in such
case made and provided.



ALAN WILSON (scw)
ATTORNEY GENERAL

Respondent's Exhibit B

STATE OF SOUTH CAROLINA

IN THE COURT OF GENERAL SESSIONS

COUNTY OF BEAUFORT
STATE

INDICTMENT/CASE#: 2016 -GS- 07 -02254

VS
JOHN M. MCINTYRE

A/W#:

AKA:

Date of Offense: 7/2007 - 12/2012

Race: W

Sex: M

Age: 62

S.C. Code § 16-13-230(B)(3)

DOB:

SS#:

CDR Code #: 3424

Address:

City, State, Zip: Port Orange, FL 32128

SENTENCE SHEET

DL# * SID# SC 02233230

*CDL: Yes ☐ No ☐ CMV Yes ☐ No ☐ Hazmat Yes ☐ No ☐

In disposition of the said indictment comes now the Defendant who was

☐ CONVICTED OF or ☒ PLEADS

TO: Breach of Trust with Fraudulent Intent, \$10K or more

In violation of § 16-13-230(B)(3) of the S.C. Code of Laws, bearing CDR Code # 3424

☒ NON-VIOLENT ☐ VIOLENT ☐ SERIOUS ☐ MOST SERIOUS ☐ Mandatory GPS ☐ §17-25-45(CSC w/minor 1st or Lewd Act)The charge is: ☒ As indicted, ☐ Lesser Included Offense.☒ Defendant Waives Presentment to Grand Jury.

(def.'s initials)

The plea is: ☒ Without Negotiations or Recommendation,☐ Negotiated Sentence,☐ Recommendation by the State.

ATTEST:

Long Naurice 76959

Asst. Atty. General

SC Bar #

[Signature]

Defendant

Cory Fleming

Attorney for Defendant

6999

SC Bar #

WHEREFORE, the Defendant is committed to the ☒ State Department of Corrections ☐ County Detention Center,for a determinate term of 10 days/months/years or ☐ under the Youthful Offender Act not to exceed years

and/or to pay a fine of \$; provided that upon the service of days/months/years and or payment of \$

; plus costs and assessments as applicable; the balance is suspended with probation for 5 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

☒ CONCURRENT or ☐ CONSECUTIVE to sentence on: 12-14-16☐ The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections.☐ The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-65 (Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

☒ RESTITUTION: ☐ Deferred ☐ Def. Waives Hearing ☒ Ordered

PTUP

Total: \$110,193⁰⁰ plus 20% fee: \$

350 days/months Public Service Employment

Payment Terms:

Obtain GED ☐☐ Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient: Silver Oak Managers LLC Escrow Account

*Fine:

\$14-1-206 (Assessments 107.5%)

\$14-1-211 (A)(1)(Conv. Surcharge)

\$100

\$14-1-211 (A)(2)(DUI Surcharge)

\$100

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\$12

\$56-1-286 (DUI Breath Test)

\$25

Proviso 61.6 (Public Def/Probation)

\$500

\$14-1-212 (Law Enforce. Funding)

\$25

\$14-1-213 (Drug Court Surcharge)

\$150

\$50-21-114 (BUI Breath Test Fee)

\$50

\$56-5-2942(J) (Vehicle Assessment)

\$40/ea

3% to County (if paid in installments)

\$

\$3.75

May serve W/E beginning

Substance Abuse Counseling ☐Random Drug/Alcohol Testing ☐

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$

Beginning

\$

Paid to Public Defender Fund

Other: terminate upon compliance

☐ Appointed PD or appointed other counsel, Proviso 61.6 requires \$500 be paid to Clerk during probation and shall be collected before any other fees.

TOTAL

\$128.75

Clerk of Court/Deputy Clerk

Court Reporter:

SCCA/217 (07/2016)

Jenn Ann Roseau - Clerk of Court
Beaufort County, SC - Jennifer Petron

Presiding Judge

Certified A True Copy Judge Code: 21410

Sentence Date

12-14-16

2663

WITNESSES

ARREST WARRANT NUMBER

ACTION OF GRAND JURY

Foreperson of Grand Jury
Date:

VERDICT

Foreperson of Petit Jury
Date:

DOCKET NO. 2016-GS-07-02254

The State of South Carolina
County of Beaufort

COURT OF GENERAL SESSIONS

DECEMBER 2016 TERM

THE STATE

v.

JOHN M. MCINTYRE

Indictment for
BREACH OF TRUST WITH
FRAUDULENT INTENT

SC Code: § 16-13-230(B)(3)
CDR Code: 3424
Class E Felony

After being fully advised as to my
legal rights, I hereby waive presentment
to the Grand Jury.


Defendant

I
hereby appear in my own proper person and
plead guilty to the within indictment or to

Defendant

Witness:

C.C.C. PLS. AND G.S.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

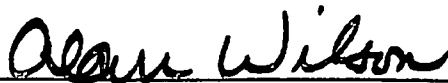
INDICTMENT

At a Court of General Sessions, convened on _____, 2016, the
Grand Jurors of Beaufort County present upon their oath:

BREACH OF TRUST WITH FRAUDULENT INTENT (\$10,000 OR MORE)

That on or about July 2007 through December 2012, in Beaufort County,
John M. McIntyre did commit an act of Breach of Trust with Fraudulent Intent.
To wit: John M. McIntyre converted \$10,000 or more from Silver Oak Land
Trust entities and Silver Oak Energy for his personal use and benefit. This was
done in violation of Section 16-13-230, *THE CODE OF LAWS OF SOUTH
CAROLINA*, (1976), as amended.

Against the peace and dignity of the State, and contrary to the statute in such
case made and provided.



ALAN WILSON (IN)
ATTORNEY GENERAL

Respondent's Exhibit C



ALAN WILSON
ATTORNEY GENERAL

PLEA AGREEMENT

Date: December 13, 2016

Defendant: John M. McIntyre

Prosecuting AG: Ivory Narcisse

Defense Attorney: Cory H. Fleming

Charges:

- 2015-GS-07-1899: Violation of Securities Act (\$20K or more)
- 2015-GS-07-1900: Breach of Trust with Fraudulent Intent (\$2K – \$10K)
- 2015-GS-07-1901: Breach of Trust with Fraudulent Intent (\$10K or more)
- 2016-GS-07-2254 Breach of Trust with Fraudulent Intent (\$10K or more)

Terms:

- Plead guilty to two counts of Breach of Trust with Fraudulent Intent (\$10K or more)
- Pay restitution to Silver Oak Managers LLC Escrow Account
 - Render a certified check of at least \$57,025 on the day of the plea hearing
 - Agree to restitution order of \$53,168 or less, depending on amount rendered at the plea hearing
 - Defendant will relinquish his and Silver Oak Land Management's (SOLM) ownership interests in Silver Oak Land Trust (SOLT) entities and Silver Oak Energy (SOE) for the purpose of distributing it to the members of the entities from which money was misappropriated. Distribution shall be at the discretion of Silver Oak Managers LLC.
 - Release by McIntyre on behalf of himself and SOLM with respect to any and all decisions made and actions taken by Silver Oak Managers LLC and all

Certified - A True Copy

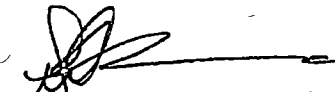
[Signature]
Jeri Ann Roseheau - Clerk of Court
Beaufort County, SC - Jennifer Pettit

others in the performance of their duties as Managers of the various SOLT and SOE entities, including, but not limited to the sale of any properties or assets held by the entities, the distribution of proceeds from such sales and the withholding of such distributions otherwise payable to Defendant and/or SOLM as an offset to monies misappropriated by him for his own benefit or the benefit of SOLM.

- Sentencing will be at Court's discretion.

12-14-16

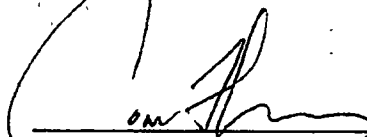
Date



John M. McIntyre, Defendant

12-14-16

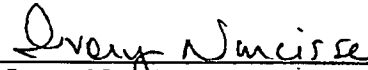
Date



Cory H. Fleming, Defense Counsel

12-14-16

Date



Ivory Narcisse, Asst. Atty. General

STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY
Honorable G. Thomas Cooper, Jr., Circuit Court Judge

Appellate Case No. 2015-001845

John M. McIntyre and Silver Oak Land Management, LLC,

Appellant,

v.

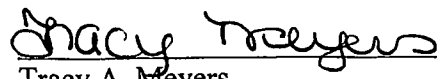
Securities Commissioner of South Carolina,

Respondent.

CERTIFICATE OF SERVICE

I certify that I have served a copy of the enclosed Motion, by hand delivering a copy to the Appellant's counsel of record Cory E. Manning, Esq., Nelson Mullins Riley & Scarborough LLP, 1320 Main Street, 17th Floor, Columbia, South Carolina 29201 and by depositing a copy of it in the United States Mail, postage prepaid, on January 19, 2018, addressed to the Appellant's counsel of record, Robert V. Matheson, Jr., Esq., Mathison & Mathison, Post Office Box 5271, Hilton Head Island, South Carolina 29938.

January 19th, 2018


Tracy A. Meyers
Deputy Securities Commissioner
1000 Assembly Street
Columbia, SC 29201
(803) 734-9916

RECEIVED
JAN 19 2018
SC Court of Appeals



ALAN WILSON
SECURITIES COMMISSIONER

January 19, 2018

RECEIVED

JAN 19 2018

SC Court of Appeals

VIA HAND-DELIVERY

The Honorable Jenny Abbott Kitchings
Clerk of Court
South Carolina Court of Appeals
1015 Sumter Street
Columbia, South Carolina 29201

Re: John M. McIntyre and Silver Oak Management, LLC v.
Securities Commissioner of South Carolina, Appellate No. 2015-
001845

Dear Ms. Kitchings:

Please find enclosed, for filing with your office, the original and six (6) copies of the Respondent's Motion to Take Judicial Notice of Adjudicative Facts in the above-referenced matter.

If I can be of any further assistance, please contact me at (803) 734-4403.

Sincerely yours,

Tracy A. Meyers
Deputy Securities Commissioner

TAM/ipw

cc: Cory E. Manning, Esq. (via hand-delivery)
Robert V. Mathison, Jr., Esq. (via First-Class mail)



POST OFFICE BOX 11549
COLUMBIA, SOUTH CAROLINA 29211-1549

ATTN: SECURITIES

RECEIVED

JAN 19 2018

SC Court of Appeals

The Honorable Jenny Abbott Kitchings
Clerk of Court
South Carolina Court of Appeals
1015 Sumter Street
Columbia, SC 29201

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

John M. McIntyre and Silver Oak Land Management,
LLC, Appellants,

v.

Securities Commissioner of South Carolina, Respondent.

Appellate Case No. 2015-001845

Appeal From Richland County
Tanya A. Gee, Circuit Court Judge

Opinion No. 5602
Heard February 6, 2018 – Filed October 17, 2018

REVERSED AND VACATED

Robert V. Mathison, Jr., of Mathison & Mathison, of
Hilton Head Island; and Cory E. Manning, of Nelson
Mullins Riley & Scarborough, LLP, of Columbia, both
for Appellants.

Attorney General Alan McCrory Wilson, Assistant
Attorney General Ian Parks Weschler, and Assistant
Deputy Attorney General Tracy A. Meyers, all of
Columbia, for Respondent.

HILL, J.: John M. McIntyre and Silver Oak Land Management, LLC (collectively Appellants) appeal the order of the circuit court affirming a \$540,000 civil penalty imposed upon them by the Securities Commissioner of South Carolina. Because

the Commissioner's administrative enforcement action deprived Appellants procedural due process, we reverse and vacate.

I.

The Attorney General of South Carolina, acting as the Commissioner pursuant to S.C. Code Ann. § 35-1-601 (Supp. 2017), began this administrative enforcement action by serving Appellants with a Cease and Desist order on April 19, 2013, alleging thirty-nine acts of securities fraud related to Appellants' offer, sale, and management of interests in numerous limited liability companies (LLCs). Besides ordering Appellants to cease and desist from violating the S.C. Uniform Securities Act (the Act), the order reserved the right to levy a \$10,000 civil penalty for each violation of the Act, as well as the cost of "the investigation and proceedings," unless Appellants chose to let the order become effective "by operation of law," as provided by S.C. Code Ann. § 35-1-604(b) (Supp. 2017), in which case they would have to pay a \$50,000 civil penalty.

Appellants chose not to let the order stand and instead requested a hearing. The Commissioner appointed an assistant attorney general as the Hearing Officer. After four days of hearings, the Hearing Officer issued a Report and Recommendation, concluding the LLC investments were not securities and the Cease and Desist order should be dismissed.

The Commissioner disagreed, finding the LLC investments were securities covered by the Act and ordering the Hearing Officer to issue another Report and Recommendation as to whether Appellants had violated the Act.

The Hearing Officer's second Report and Recommendation found Appellants had committed seventy-eight violations of the Act. After reviewing this Report and Recommendation, the Commissioner concurred in its findings but "reiterated" his own findings from the previous order and made new factual findings. The Commissioner reduced the number of violations to fifty-four and imposed the maximum civil penalty of \$10,000 for each violation, for a total penalty of \$540,000. This order also required Appellants to pay the costs of the investigation and proceedings, and there was no provision allowing Appellants to contest the amount of the costs or be heard in response.

Appellants petitioned the circuit court for review of the Commissioner's decision, contending the administrative proceeding violated their due-process rights, the LLC investments were not securities, and substantial evidence did not support the Commissioner's findings. The circuit court affirmed the Commissioner's decision.

II.

Appellants claim the Commissioner denied them procedural due process by not promulgating rules for the hearing procedure. As a result, Appellants had no notice of the availability, order, or scope of opening and closing arguments; the order or burden of proof; the standard for admissibility of evidence; the existence of subpoena rights; or any other fundamental aspects of the hearing. Appellants point to S.C. Code Ann. § 35-1-605(a)(1) (Supp. 2017), which states, "The Securities Commissioner may issue forms and orders and, after notice and comment, may adopt and amend rules necessary or appropriate to carry out [the Act]" Judicial review of the Commissioner's factual findings by the circuit court is discussed in § 35-1-609, but is silent as to our scope of review. Appellants' claims require us to interpret the legislative intent of the Act, and also decide whether the Commissioner's actions violated due process. We may decide these questions of law without deference to the rulings of the Commissioner or the circuit court. See *Jeter v. S.C. Dep't of Transp.*, 369 S.C. 433, 438, 633 S.E.2d 143, 146 (2006) (holding interpretation of statute is a question of law); *Charleston Cty. Parks & Recreation Comm'n v. Somers*, 319 S.C. 65, 67, 459 S.E.2d 841, 843 (1995) (holding determination of legislative intent is a matter of law).

Our supreme court has twice confronted an administrative agency's failure to enact procedural rules for hearings. In the first case, *Tall Tower, Inc. v. S.C. Procurement Review Panel*, 294 S.C. 225, 363 S.E.2d 683 (1987), the issue was whether the South Carolina Procurement Review Panel's failure to adopt hearing rules and procedures violated a bid protestor's rights of due process as guaranteed by Article I, section 3 of the South Carolina Constitution. *Tall Tower*, 294 S.C. at 232, 363 S.E.2d at 686. The bid protestor asserted that because S.C. Code Ann. § 11-35-4410(5) (1986) stated "the [p]anel shall establish its own rules and procedures for the conduct of its business, including the holding of necessary hearings," the Panel's failure to do so violated its due process rights. *Id.* Our supreme court disagreed, noting the bid protestor could show no substantial prejudice from the Panel's actual conduct of the hearing. *Id.* at 294 S.C. at 232–33, 363 S.E.2d at 686–87.

The issue arose a second time in *Unisys Corp. v. S.C. Budget & Control Bd.*, 346 S.C. 158, 551 S.E.2d 263 (2001), but in a markedly different context. It was another bid dispute amidst the Procurement Code, but this time the disappointed bidder claimed its right to due process guaranteed by Article I, section 22 was violated because the Legislature—not the agency—had failed to establish procedures for hearings before the Chief Procurement Officer (CPO). *Unisys Corp.*, 346 S.C. at 173–74, 551 S.E.2d at 272. The supreme court again disagreed,

holding due process was satisfied because appeal of the CPO's decisions was heard de novo by the Procurement Review Panel. *Id.* at 174-75, 551 S.E.2d at 272. The supreme court reasoned because the procedure set forth by the Review Panel established adequate due process, there could be no substantial prejudice. *Id.* at 175, 551 S.E.2d at 272.

As mentioned, *Unisys* found the lack of procedural safeguards at an administrative hearing was cured by the availability of de novo review by the Procurement Review Panel. *Id.* at 175, 551 S.E.2d at 272. Two features of the Act prevent this cure from working here. First, rather than de novo review, judicial review of the Commissioner's ruling is made using the substantial evidence standard, and—importantly—the factual findings of the Commissioner are "conclusive" if supported by competent, material, and substantial evidence. S.C. Code Ann. § 35-1-609 (Supp. 2017).

Second, as the Act was administered here by the Commissioner, the Hearing Officer's ruling was merely advisory and intermediate. It is unclear what statutory authority empowers the Commissioner to conduct a review of the Hearing Officer's ruling, but it is clear Appellants had no opportunity to present evidence at this stage or otherwise be heard. This diluted whatever fairness and impartiality the procedure before the Hearing Officer may have had. Unlike *Unisys*, where the internal appeal to the Panel expanded the bidder's due process and cured its earlier curtailment, the Commissioner's review diminished Appellants' right to be heard. By silently reserving the right to not only reject the Hearing Officer's factual findings and rulings but to make its own findings without notice, hearing, or any further opportunity for input, the Commissioner undermined its own ad hoc procedure. A party is not entitled to a hearing at each stage of agency review, but a meaningful hearing must occur at some stage. *See Ross v. Med. Univ. of S.C.*, 328 S.C. 51, 68–69, 492 S.E.2d 62, 71–72 (1997).

Section 35-1-605(a)(1) directs that the Commissioner provide rules for hearings "to carry out" its authority under the Act. But there is more: the rules must be made after "notice and comment," a requirement critically absent from the statutory language in play in *Tall Tower* and *Unisys*. *Id.* Aware that it had exempted the Securities Act from the Administrative Procedures Act (APA), *see* S.C. Code Ann. §§ 35-1-601, 609 (Supp. 2017), and, consequently, the APA's requirement that notice and comment occur before an agency's rules can become law, the Legislature required that notice and comment precede the Commissioner's rulemaking to remove any temptation of the Executive Branch to amass underground regulations. *See* § 35-1-605(a)(1).

Rather than complying with the Legislative directive, the Commissioner chose not to promulgate any rules regulating the conduct of or procedure appropriate for administrative hearings. This leaves the Commissioner with the awkward argument that because § 35-1-605(a)(1) uses the word "may," it is not required to adopt any rules of procedure at all.

We find this position curious, and one that cannot survive scrutiny. That scrutiny occurs within the framework of the due process guarantees of South Carolina Constitution Article I, § 3 and § 22. We will take up § 22 first, as it applies specifically to agency actions.

A. S.C. Constitution Article I, Section 22

In 1966, the Legislature appointed a commission chaired by then Senator (later Governor) John C. West to study and propose amendments to the South Carolina Constitution. Among its recommendations, the West Committee recognized the creeping rise of the administrative state, noting agency decisions often "are more significant than laws enacted by the General Assembly or decisions made by the courts." *Final Report of the Committee to Make a Study of the South Carolina Constitution of 1895*, at 21 (1969). The West Committee registered its agreement "with many other constitutional study groups throughout the country that judicial and quasi-judicial decisions of administrative agencies should be consistent with due process of law and complete fairness to the citizen." *Id.* The language it drafted "as a safeguard for the protection of liberty and property of citizens," *id.* at 20, was adopted and ratified in 1970 as our current Article I, section 22:

No person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rights except on due notice and an opportunity to be heard; nor shall he be subject to the same person for both prosecution and adjudication; nor shall he be deprived of liberty or property unless by a mode of procedure prescribed by the General Assembly, and he shall have in all such instances the right to judicial review.

This section is "an additional guarantee of important due process rights." *Garris v. Governing Bd. of S.C. Reinsurance Facility*, 333 S.C. 432, 444, 511 S.E.2d 48, 54 (1998).

The West Committee was prophetic. Today, citizens increasingly encounter "the leviathan known as administrative agency rule-making—the so-called Fourth Branch of government." *Joseph v. S.C. Dep't of Labor, Licensing & Regulation*, 417 S.C. 436, 455–56, 790 S.E.2d 763, 773 (2016) (Kittredge, J., concurring).

The mode of procedure the Legislature prescribed in § 35-1-605(a)(1) mandated that notice and comment precede the Commissioner's adoption of rules. The Legislature's use of the word "may" in this context did not render the Commissioner's obligation optional. The plain meaning of § 35-1-605(a)(1) is that the Commissioner did not have to implement the Act at all, but if he chose to "carry out" the grant of power delegated to him by the Legislature, he would have to do so by the promulgation of rules that had been exposed to the light of public notice and comment. Otherwise, the government would be depriving a person of his property by a "mode of procedure" not authorized or "prescribed" by the Legislature. Worse, here the Commissioner deprived Appellants of significant property without *any* prescribed mode of procedure, an affront to the most basic conceptions of the rule of law. See 1 WILLIAM BLACKSTONE, COMMENTARIES *46 ("All laws should be therefore made to commence *in futuro*, and be notified before their commencement; which is implied in the term 'prescribed.'").

The Commissioner stresses that "may" is permissive rather than mandatory, an argument foreclosed both by the context in which "may" appears and the very next command of our constitution, Article I, § 23.

We must construe statutory words in context. "May" often denotes the permissive, but not always. *Robertson v. South Carolina*, 276 S.C. 356, 358, 278 S.E.2d 770, 771 (1981) (holding that in deciding "whether 'may' is to be interpreted as mandatory or permissive in a particular statute, legislative intent is controlling"); see also *United Hosp. Center, Inc. v. Richardson*, 757 F.2d 1445, 1453 (4th Cir. 1985) ("While the term 'may' in a statute or agency regulation dealing with agency power is generally construed as permissive rather than mandatory," the construction depends on whether context reveals the legislature intended "to confer a discretionary power or to impose an imperative duty.") (citations omitted). For example, we doubt the Commissioner would argue "may" is permissive when it appears in § 35-1-603(c) (Supp. 2017), which states: "[t]he Securities Commissioner may not be required to post a bond in an action or proceeding under this chapter."

The Commissioner's argument that "may" as used in § 35-1-605(a)(1) is permissive is also answered by Article I, § 23 which provides: "The provisions of the Constitution shall be taken, deemed, and construed to be mandatory and

prohibitory, and not merely directory, except where expressly made directory or permissive by its own terms." S.C. Const. art. I, § 23. Taking § 22 and § 23 of Article I together, we hold that while § 35-1-605(a)(1) gave the Commissioner the discretion to implement or not implement an administrative enforcement scheme for violations of the Act, that discretion does not extend to conducting administrative hearings without first adopting procedural rules for the hearings after notice and comment. Accordingly, viewing the word "may" in context, we hold the legislature intended the Commissioner to promulgate rules (i.e., a "mode of procedure"), after notice and comment, before holding administrative hearings. See *Stono River Envtl. Prot. Ass'n v. S.C. Dep't of Health & Envtl. Control*, 305 S.C. 90, 94, 406 S.E.2d 340, 342 (1991) (holding an agency violated procedural due process guaranteed by Article I, § 22 when it "summarily abandoned the [hearing] procedure," did not inform parties of the alternative procedure it planned to use, and did not inform parties of issues to be considered at the proceeding).

As to procedural due process principles concerning notice and hearing, our supreme court has held the contours of Article I, § 22 trace those of our general state due process clause, Article I, § 3, and federal due process. See *S.C. Ambulatory Surgery Ctr. Ass'n v. S.C. Workers' Comp. Comm'n*, 389 S.C. 380, 391, 699 S.E.2d 146, 152 (2010). It is to those principles we now turn.

B. General Procedural Due Process

As our supreme court has held, "[t]he fundamental requirements of due process include notice, an opportunity to be heard in a meaningful way, and judicial review." *Kurschner v. City of Camden Planning Comm'n*, 376 S.C. 165, 171, 656 S.E.2d 346, 350 (2008). The level of process due is "flexible" dependent upon the demands of the situation. *Id.* at 172, 656 S.E.2d at 350. We do not interpret this to mean, as the Commissioner does, that this flexibility is so pliable that a government agency can refuse to announce the rules of procedure it intends to use at a substantive hearing where a citizen's property may be confiscated and his liberty imperiled. Although there are no technical requirements for procedural due process, certain elements must be present, including: "(1) adequate notice; (2) adequate opportunity for a hearing; (3) the right to introduce evidence; (4) the right to confront and cross-examine witnesses." *In re Vora*, 354 S.C. 590, 595, 582 S.E.2d 413, 416 (2003).

Procedural due process insists upon fair play. See *Hipp v. S.C. Dep't of Motor Vehicles*, 381 S.C. 323, 325, 673 S.E.2d 416, 417 (2009) ("Due process is violated when a party is denied fundamental fairness."). The flexibility the cases refer to are a recognition of the many ways—large and small—a government can deprive a

person of his property interests. The extent of the procedural protections due process requires corresponds to the extent of the potential deprivation. Accordingly, "due process may require a trial-type hearing in fact-specific, adjudicatory decisions of an administrative body," but discretionary decisions involving potentially minor or limited incursions of property rights call for only limited procedural safeguards. *Kurschner*, 376 S.C. at 172, 656 S.E.2d at 350. In determining the process due, we must consider: (1) the private interest affected by the proceeding; (2) the risk of erroneous deprivation of that interest as a result of the procedures used, and the probable value of additional or substitute procedural safeguards; and (3) the State's interest, including the burden of additional or substitute procedural requirements. *See Mathews v. Eldridge*, 424 U.S. 319, 334-35 (1976).

Appellants' private interests were gravely affected by the proceedings. The Commissioner imposed a civil penalty of \$540,000, an eye-popping amount that would bankrupt all but the wealthiest of citizens. Appellants' risk was not just monetary—each willful violation of the Act is a crime punishable by up to ten years in prison and a \$50,000 fine. S.C. Code Ann. § 35-1-508(a). Nor was the risk of criminal exposure fanciful: by the time of the administrative hearing, Appellants' conduct had been referred to the criminal division of the South Carolina Attorney General's Office. The Attorney General later indicted Appellant McIntyre for one count of violating § 35-1-508(a) and three counts of Breach of Trust with Fraudulent Intent related to his management of the LLCs. In 2016, McIntyre pled guilty to two counts of Breach of Trust with Fraudulent Intent, was sentenced to concurrent terms of ten years imprisonment suspended upon five years of probation, and ordered to pay restitution and perform community service.

While Appellants had the opportunity to cross-examine adverse witnesses and present favorable ones, without notice of set procedural rules the exercise before the Hearing Officer was riddled with procedural irregularities and plagued by a lack of order creating an intolerable risk of erroneous deprivation. No one knew what the applicable burden of proof was until after the hearing, when the Hearing Officer issued his first recommendation. *See Santosky v. Kramer*, 455 U.S. 745, 757 (1982) ("Since the litigants and the factfinder must know at the outset of a given proceeding how the risk of error will be allocated, the standard of proof necessarily must be calibrated in advance."). Without knowledge of the burden of proof at the outset, Appellants were left to guess what or how much evidence to present, if any. It is hard to imagine how the opportunity to be heard can be meaningful if one does not know what to say.

An administrative agency need not adhere to strict rules of evidence when acting in a judicial capacity, but "the substantial rights of the party must be preserved." *City of Spartanburg v. Parris*, 251 S.C. 187, 190, 161 S.E.2d 228, 229 (1968). Appellants objected to much of the Commission's evidence, on grounds including relevance, hearsay, and authentication. The parties and the Hearing Officer spent considerable time debating whether the rules of civil procedure, or evidence, or any rules at all applied. There was also substantial befuddlement over whether the parties—or the Hearing Officer for that matter—had subpoena power. Although Appellants successfully subpoenaed witnesses, no party to a proceeding carrying such high stakes should be forced to prepare their case amidst the suspense that they may not have the ability to compel the attendance of witnesses. Without rules, especially as to evidence, there were no assurances as to the reliability of the evidence considered by the Hearing Officer, aggravating the risk Appellants would be wrongfully deprived of their property. See *Mathews*, 424 U.S. at 334–35. This risk was made more acute by the lack of de novo judicial review and the conclusiveness the standard of review assigns the Commissioner's factual findings.

As a result of this haphazard process, the risk Appellants would be erroneously deprived of their property was substantial. *Id.* at 335. The value of adopting actual procedural rules was high. *Id.* The burden on the Commissioner of adopting formal procedural rules is insignificant, for if it is unreasonable to burden the Executive Branch with conducting public notice and comment mandated by the Legislature then we are in more trouble than we know. After all, "[t]he history of liberty has largely been the history of observance of procedural safeguards." *McNabb v. United States*, 318 U.S. 332, 347 (1943).

C. Substantial Prejudice/Harmless Error

The Commissioner maintains any due process violation was harmless because Appellants presented a full defense during four days of hearings. See *Tall Tower*, 294 S.C. at 233, 363 S.E.2d at 687 ("A demonstration of substantial prejudice is required to establish a due process claim.").

A "harmless error" analysis, however, is impossible and unnecessary to undertake where the structure of the proceeding under review was fundamentally unsound. See *La Salle Bank Nat'l Ass'n v. Davidson*, 386 S.C. 276, 280, 688 S.E.2d 121, 123 (2009). In *LaSalle Bank*, the court held conducting a foreclosure hearing without a judge present amounted to a structural defect that violated procedural due process so critically it could not be harmless. *Id.*; see also *Garris*, 333 S.C. at 447–48, 511 S.E.2d at 56 (finding the conduct and structure of an agency hearing "was so inherently flawed that it is not subject to harmless error analysis").

While here the Hearing Officer was present, neither he nor the parties were provided with notice of or access to any procedural rules governing the proceeding. The lack of any formal procedural architecture fated the process as arbitrary and so affected fundamental fairness that to deem it harmless would only add insult to the injury to the rule of law. See *Groning v. The Union Ins. Co.*, 10 S.C. L. 537, 537-38 (S.C. Const. App. 1819) ("The only security which the citizens of any country can have for their property, or even for their lives, is derived from the promulgation and certainty of the laws. One of the most distinguishing features in the administration of the Emperor *Caligula*, whose name is proverbial for his tyranny, was, that he caused his edicts to be suspended so high that they could not be read by his subjects."); 1 WILLIAM BLACKSTONE, COMMENTARIES *137-38 ("[J]ustice is directed to be done according to the law of the land: and what that law is, every subject knows, or may know, if he pleases; for it depends not upon the arbitrary will of any judge; but is permanent, fixed, and unchangeable, unless by authority of parliament Not only the substantial part, or judicial decisions, of the law, but also the formal part, or method of proceeding cannot be altered but by parliament: for, if once those outworks were demolished, there would be no inlet to all manner of innovation in the body of the law itself."). If unchecked administrative rule-making is a leviathan, we are not sure what to call an agency's decision to adjudicate vast private property rights without posting any prescribed rules despite legislative direction, but we cannot call such a creature harmless.

Because Appellants were denied procedural due process, we reverse the order of the circuit court and vacate the civil penalty. In light of this disposition, we need not address Appellants' remaining issues. *Futch v. McAllister Towing of Georgetown, Inc.*, 335 S.C. 598, 613, 518 S.E.2d 591, 598 (1999).

REVERSED AND VACATED.

SHORT and THOMAS, JJ., concur.

The South Carolina Court of Appeals

John M. McIntyre and Silver Oak Land Management,
LLC, Appellants,

v.

Securities Commissioner of South Carolina, Respondent.

Appellate Case No. 2015-001845

The Honorable Tanya A. Gee
Richland County
Trial Court Case No. 2014CP4007917

ORDER

Based on the vote of the panel respondent's motion to take judicial notice of
adjudicative facts has been granted.

FOR THE COURT

BY


CLERK

Columbia, South Carolina

cc:

Robert V. Mathison, Jr., Esquire
Cory E. Manning, Esquire
Tracy A. Meyers, Esquire
Alan McCrory Wilson, Esquire
Ian Parks Weschler, Esquire

FILED

Oct. 17, 2018.

STATE OF SOUTH CAROLINA
IN THE COURT OF APPEALS

Appeal from Richland County
Court of Common Pleas
Tanya A. Gee, Circuit Court Judge
Appellate Case No. 2015-001845

RECEIVED
NOV 01 2018
SC Court of Appeals

SECURITIES COMMISSIONER OF SOUTH CAROLINA,

Respondent,

vs.

JOHN M. MCINTYRE AND SILVER OAK LAND MANAGEMENT, LLC,

Appellants.

RESPONDENT'S PETITION FOR REHEARING

Pursuant to Rule 221(a), SCACR, the Securities Commissioner of South Carolina hereby files this petition for a rehearing. The Commissioner respectfully submits that this Court's Opinion of October 17, 2018, overlooked or misapprehended (a) that the Appellant's claim of a violation of due process rights was not preserved for review; and (b) that, even if that issue were preserved, the administrative hearing process (the "Hearing") was conducted in accordance with the South Carolina Constitution, the South Carolina Uniform Securities Act, and controlling precedent of the Supreme Court.

If maintained in its current form, the Opinion would have a profoundly negative impact on the citizens of South Carolina by impairing the ability of the

Commissioner to conduct administrative hearings to enforce the Securities Act. There are ample means by which the Court can prevent this result. Therefore, for the reasons set forth in this Petition, the Court should grant a rehearing on the Opinion and rule that the Appellants' claim of a violation of due process rights was not preserved for review, or in the alternative, find that the Hearing was conducted in accordance with the South Carolina Constitution, the South Carolina Uniform Securities Act, and controlling precedent of the Supreme Court.

Argument

I. Appellant's due process claims were not preserved for appeal.

In the Opinion, the Court considered and agreed with the Appellants' argument that their right to procedural due process was denied as a result of the Hearing. The Court should not have reached that issue. The Appellants did not raise a due process argument in their Rule 59(e), SCRCP, motion, and thus, failed to preserve this issue for appeal. *Summersell v. S.C. Dep't of Pub. Safety*, 337 S.C. 19, 22, 522 S.E.2d 144, 146 (1999) (citing *White v. Wilkerson*, 328 S.C. 179, 493 S.E.2d 345 (1997) ("If the issue is not raised in a post-trial motion, it is error for the appellate court to consider it.")).

The Appellants initially raised the issue of due process in their petition for judicial review of the Commissioner's Order before the Richland County Court of Common Pleas. (R. p. 109). But, according to the circuit court, this argument was wholly unsupported and relied on "bald conclusions." (R. p. 94). As a result, Judge Tanya A. Gee's Order Affirming the Decision of the Securities Commissioner found

the issue of due process to have been abandoned, citing *Solomon v. City Realty Co.*, 262 S.C. 198, 201, 203 S.E.2d 435, 436 (1974). (R. p. 94).

The Appellants left this due process argument abandoned in the circuit court. The Record on Appeal does not include any suggestion that the Appellants asked for reconsideration of the circuit court's decision on their claims of a due process violation.¹ Moreover, were the Appellants' Rule 59(e) motion to have been included in the Record, it would show that the Appellants laid out detailed reasons Judge Gee should alter or amend her decision, but *did not raise the issue of due process*. Only on appeal to this Court did the Appellants attempt to resurrect this issue. When, as is the case here, a court's "review of the record establishes that an issue is not preserved, then [the court] should not reach it." *Atlantic Coast Builders & Contractors, LLC v. Lewis*, 398 S.C. 323, 329, 730 S.E.2d 282, 285 (2012). Following well-established case law, the Court should grant a rehearing and rule this issue unpreserved. *Id.* at 323, 730 S.E.2d at 285 ("we should follow our longstanding precedent and resolve the issue on preservation grounds when it clearly is unpreserved").

II. The Hearing complied with the Constitution, the Securities Act, and controlling precedent.

The Commissioner respectfully submits that, even if the Appellants' due process arguments were preserved for appeal, the Hearing complied with the

¹ The Record does reflect a summary denial of the Appellant's Rule 59(e) Motion. (R. p. 102).

requirements of the Constitution, in particular, Article I, Section 22; the Securities Act; and controlling precedent of the Supreme Court.

a. The Constitution

The South Carolina Constitution, Article I, Section 22, sets forth the requirements with which an administrative hearing must comply in order to ensure that a respondent is afforded his right to due process including “due notice and an opportunity to be heard.” The Hearing met those requirements. Due process requirements are not technical, and no particular form or procedure is necessary. *In re Vora*, 354 S.C. 590, 595, 582 S.E.2d 413, 416 (2003) (citations omitted). For an administrative proceeding to comply with Article I, Section 22, it must include “(1) adequate notice, (2) adequate opportunity for a hearing, (3) the right to introduce evidence, and (4) the right to confront and cross-examine witnesses.” *Id.* In the Hearing, the Appellants were afforded each of these requirements. In accordance with the Securities Act, the Appellants were provided notice of their right to a hearing in the Order to Cease and Desist. (R. p. 8). The Appellants exercised this right and a four day hearing followed—including a two month break during which the Appellants were afforded the opportunity to further refine their case. (R. p. 1017, p. 161).

The preponderance of the evidence standard of proof, which is generally applicable in administrative hearings under Supreme Court precedent, was applied in the Hearing. See *Anonymous (M-156-90) v. State Board of Medical Examiners*,

329 S.C. 496 S.E.2d 17 (1998). The Appellants were able to subpoena witnesses, examine and cross examine witnesses, introduce evidence, and state clearly and fully their case before the Hearing Officer. As a result of this process, the Appellants were provided "notice and opportunity to be heard at some point before" the Commissioner made his "final decision." *Ross v. Med. Univ. of S.C.*, 328 S.C. 51, 68, 492 S.E.2d 62, 71 (1997). Additionally, S.C. Code Ann. § 35-1-609 provided the means for the Appellants to seek judicial review of the Commissioner's Order, and the circuit court was free to consider issues of law without any deference to the Commissioner. Further, the Appellants failed to point to any specific portion of the Hearing that negatively impacted their right to procedural due process. It is a misapprehension of Article I, Section 22 to suggest that this careful, deliberate process did not afford the Appellants "due notice and an opportunity to be heard."

b. The Securities Act

In the Opinion, the Court reasoned that the Securities Act requires the Commissioner to promulgate rules for the conduct of administrative hearings. It does not. The use of "may" means simply may, leaving the decision of whether to promulgate rules of procedure up to the Commissioner. *State v. Wilson*, 274 S.C. 352, 356, 264 S.E.2d 414, 416 (1980) ("The use of the word "may" signifies permission and generally means that the action spoken of is optional or discretionary."). The drafters of the Securities Act were well aware of the difference between permissive and mandatory instructions to the Commissioner, as for instance, in Section 605, where the Securities Act uses both "may" including in

subsection (a)(1)-(4) (*may* issue orders, rules, definitions, fees), subsection (c) (*may* require the filing of financial statements by certain registrants and notice filers), subsection (d) (*may* provide interpretive opinions), and “must” subsection (f) (hearings *must* be public).

Further, S.C. Code Ann. § 35-1-605(a)(1) leaves in the Commissioner’s discretion whether or not rules, including rules of procedure, should be promulgated, explaining that he may adopt rules that he considers to be “necessary or appropriate.” With this delegation, the General Assembly was acting consistently with the principles of administrative law in passing an enabling statute and then granting the administrative agency the authority to determine which additional rules would be necessary or appropriate to carry out its statutory mandate. In interpreting their statutes, administrative agencies are granted wide discretion. *Kiawah Dev. Partners, II v. S.C. Dep’t of Health & Envtl. Control*, 411 S.C. 16, 34, 766 S.E.2d 707, 718 (2014) (“we give deference to agencies both because they have been entrusted with administering their statutes and regulations and because they have unique skill and expertise in administering those statutes and regulations.”) South Carolina Courts defer to an “agency interpretation unless it is arbitrary, capricious, or manifestly contrary to the statute.” *Id.* at 34–35, 766 S.E.2d at 718 (citing *Chevron, U.S.A., Inc. v. Nat. Res. Def. Council, Inc.*, 467 U.S. 837, 844 (1984) (internal quotations omitted). In relying on the due process protections established by the Securities Act rather than promulgating procedural hearing rules, the Commissioner cannot be considered to have acted in an arbitrary or

capricious manner. Indeed, the plain language of Section 604(b) includes the requirement of notice and the opportunity for a hearing, and is intended to “*provide due process protections for persons against whom an order...is issued.*” S.C. Code Ann. § 35-1-604 (Supp. 2017) S.C. Reporter's cmt. 2 (emphasis added).

Additionally, the Commissioner is not required to promulgate a rule setting forth a standard of proof for his hearing process; as the Securities Act is silent on this issue, it is for the courts, not the Commissioner, to decide. *Anonymous*, 329 S.C. at 375–76, 496 S.E.2d at 19. (citing *Johnson v. Arkansas Bd. of Examiners in Psychology*, 305 Ark. 451, 808 S.W.2d 766 (1991)) (“Traditionally the judiciary defines the standard when the legislature has not.”).

Lastly, in his appointment of the Hearing Officer to take testimony and prepare a written report and recommendation—while reserving his right to make a final ruling—the Commissioner was clearly acting within the authority granted to him by the Securities Act. See S.C. Code Ann. § 35-1-601(a) (“The Securities Commissioner may delegate any or all of his duties pursuant to this chapter to members of his staff, as he deems necessary or appropriate”).

c. Controlling Supreme Court precedent

In determining the Hearing to be a violation of the Appellants' right to procedural due process, the Court overlooked the controlling Supreme Court precedent on the Commissioner's hearing process. In *Majors v. S.C. Securities Comm'n*, 373 S.C. 153, 644 S.E.2d 710 (2007), which was not cited in the Opinion,

the Supreme Court considered and upheld this same hearing process. In *Majors*, as in this case, the appellant alleged that his right to due process was violated by the Commissioner. The Supreme Court rejected this argument, instead determining that the Commissioner's hearing process afforded the appellant due process. *Majors*, 373 S.C at 162, 644 S.E.2d at 715. The Supreme Court reached that opinion after a careful analysis of an *identical hearing process* and its aftermath, which, akin to the present matter, included a report and recommendation to the Commissioner, followed by an appeal, first to the circuit court and then to the Supreme Court.² This is precisely the process that occurred during and after the Hearing. The Opinion overlooked or misapprehended *Majors*, and, therefore, the Court should grant a rehearing.

Conclusion

As set forth above, the Commissioner respectfully submits that the Opinion overlooked and misapprehended (a) that the Appellant's claim of a violation of due process rights was not preserved for review; and (b) that, even if that issue were preserved, the Hearing was conducted in accordance with the South Carolina Constitution, the South Carolina Uniform Securities Act, and controlling precedent of the Supreme Court. Without reconsideration of the Opinion, the Securities Act's administrative hearing process will be thrown into doubt, and along with it, the

² *Majors* continued his appeal to the United States Supreme Court, which denied his Petitions for a Writ of Certiorari and Rehearing. *Majors v. S.C. Sec. Comm'n*, 552 U.S. 975 (2007); *Majors v. S.C. Sec. Comm'n*, 552 U.S. 1133 (2008).

ability of the Commissioner to carry out his mandate to regulate the securities markets of South Carolina. The Court should, therefore, grant a rehearing on the Opinion.

Respectfully submitted,

ALAN WILSON
Securities Commissioner

TRACY A. MEYERS
Deputy Securities Commissioner

BY: 

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ATTORNEYS FOR THE RESPONDENT

STATE OF SOUTH CAROLINA
IN THE COURT OF APPEALS

Appeal from Richland County
Court of Common Pleas
Tanya A. Gee, Circuit Court Judge
Appellate Case No. 2015-001845

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SECURITIES COMMISSIONER OF SOUTH CAROLINA,

Respondent,

vs.

JOHN M. MCINTYRE AND SILVER OAK LAND MANAGEMENT, LLC,

Appellants.

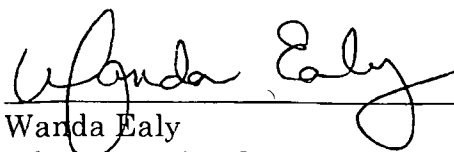
PROOF OF SERVICE

I hereby certify that I have served the Respondent's Petition for Rehearing upon the Appellants by mailing a copy to each of their attorneys of record at the address below via the United States Mail on November 1, 2018:

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(Signature next page)

A handwritten signature in cursive script, appearing to read "Wanda Ealy", is written over a horizontal line.

Wanda Ealy
Administrative Coordinator
Securities Division
Office of the Attorney General
State of South Carolina
P.O. Box 11549
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November 1, 2018
Columbia, South Carolina



ALAN WILSON
SECURITIES COMMISSIONER

November 01, 2018

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SC Court of Appeals

VIA HAND-DELIVERY

The Honorable Jenny Abbott Kitchings
Clerk of Court
South Carolina Court of Appeals
1015 Sumter Street
Columbia, South Carolina 29201

Re: John M. McIntyre and Silver Oak Management, LLC v.
Securities Commissioner of South Carolina, Appellate No.
2015-001845

Dear Ms. Kitchings:

Please find enclosed, for filing with your office, the original and six (6) copies of the Respondent's Petition for Rehearing in the above-referenced matter.

If I can be of any further assistance, please contact me at (803) 734-9916.

Sincerely yours,

Ian P. Weschler
Assistant Attorney General

cc: Cory E. Manning, Esq. (via First-Class mail)
Robert V. Mathison, Jr., Esq. (via First-Class mail)

The South Carolina Court of Appeals

John M. McIntyre and Silver Oak Land Management,
LLC, Appellants,

v.

Securities Commissioner of South Carolina, Respondent.

Appellate Case No. 2015-001845

ORDER

After careful consideration of the petition for rehearing, the Court is unable to discover that any material fact or principle of law has been either overlooked or disregarded, and hence, there is no basis for granting a rehearing. Accordingly, the petition for rehearing is denied.

Paul G. Short, Jr.

J.

Paul W. Thomas

J.

D. Hanlin

J.

Columbia, South Carolina

FILED

cc: Robert V. Mathison, Jr., Esquire
Cory E. Manning, Esquire
Tracy A. Meyers, Esquire
Alan McCrory Wilson, Esquire
Ian Parks Weschler, Esquire

February 19, 2019



The South Carolina Court of Appeals

JENNY ABBOTT KITCHINGS
CLERK

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March 20, 2019

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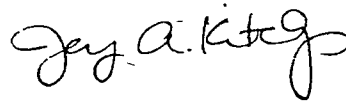
Mr. Ian Parks Weschler, Esquire
PO Box 11549
Columbia SC 29211

Re: John McIntyre v. Securities Commissioner of SC
Appellate Case No. 2015-001845

Dear Counsel:

It has come to the Court's attention that the order denying rehearing in this matter, filed February 19, 2019, may not have been mailed to all the parties. A copy of the order is enclosed with this letter. You may wish to contact the Supreme Court regarding the timelines for filing a petition pursuant to Rule 242 of the South Carolina Appellate Court Rules. We are forwarding a copy of this correspondence to the Clerk of the Supreme Court.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jay A. King".

CLERK

Cc: The Honorable Daniel E. Shearouse