

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
SUCCESS TRUST AND HOLDING LLC, and
A. PAUL REYNOLDS,

PETITION FOR ORDER

Respondents.

File No. S-06032(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (hereinafter "the Division"), has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Success Trust and Holding LLC ("Success Trust") is a business entity incorporated in the State of Delaware with a last known business address of 655 H Fairview Road, Suite 4, Simpsonville, South Carolina 29680;
2. A. Paul Reynolds ("Reynolds") is an individual who at all times material hereto has been the chief executive officer of Success Trust, with a last known business address at that of Success Trust;
3. During the period of 2005, Success Trust and Reynolds offered to at least one person in Wisconsin interests in an Agreement between Success Trust and the person in Wisconsin, as a "Client" of Success Trust, involving the residential property owned by the person in Wisconsin;
4. Pursuant to the offering materials received by a person in Wisconsin, the Client pays a fee of \$3,000 to Success Trust and the Client also provides to Success Trust the deed and other instruments connected to the Client's residential property, and, in exchange, Success Trust will engage in the business of paying to the Client 36 equal payments over 36 months at a set percentage of the equity of the residential property of the Client, and on the 40th month Success Trust will issue a check to the Client for the full value of the residential property involved in the transaction;
5. Upon information and belief, the Client can play a passive role in the Agreement with no duties and responsibilities;
6. Upon information and belief, each Client will not be involved in the day-to-day management of Success Trust, since there are too many Clients for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties;
7. Since the Clients will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the "Agreements" offered by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;
8. The Success Trust investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.; and
9. The staff of the Division wrote to Success Trust and requested information and documents concerning its transactions with persons in Wisconsin and although Reynolds responded, he did not

