STATE OF NORTH CAROLINA

Department of The Secretary of State

In The Matter Of:	)	
THE NORTH CAROLINA SECURITIES DIVISION,	)	
Petitioner,	)	
vs.	)	**TEMPORARY ORDER TO CEASE AND DESIST**
CAROLYN W. GRANT and OMEGA PROPERTY GROUP, LLC,	)	
Respondents.	)	**FILE NO. 11-SEC-037**

Pursuant to the authority granted by Chapter 78A of the North Carolina General Statutes (the North Carolina Securities Act), hereinafter referred to as the "Securities Act," and the rules promulgated thereunder, the Securities Division of the Department of the Secretary of State, hereinafter referred to as the "Division," has investigated the activities of **CAROLYN W. GRANT and OMEGA PROPERTY GROUP, LLC** to determine if they have engaged in, or are about to engage in, any act or practice constituting a violation of the Securities Act or any rule or order thereunder.

THE DIVISION has filed an Administrative Petition against the above-named Respondent seeking, among other remedies, a temporary and summary Cease and Desist Order pursuant to the provisions of N.C.G.S. §78A-47(b)(2).

THE SECRETARY OF STATE, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therefrom, and for the protection and preservation of the public welfare and in the public interest, makes the following:

FINDINGS OF FACT

1. The Securities Administrator has jurisdiction over the subject matter of this proceeding and over the person of the Respondents pursuant to the North Carolina Securities Act.

2. Respondent **CAROLYN W. GRANT** (hereinafter "Grant" or "Respondent Grant") is a natural person who resides at 7712 Umstead Forest Drive, Raleigh, North Carolina, 27612.

3. Respondent **OMEGA PROPERTY GROUP, LLC** (hereinafter "Omega" or "Respondent Omega") is a North Carolina member-managed limited liability company with its principal place of business located at 7712 Umstead Forest Drive, Raleigh, North Carolina, 27612.

4. Upon information and belief, on or about August, 2008, in Raleigh, North Carolina, Respondents offered a North Carolina investor an investment opportunity in Spring Forest I, LLC, a land development project. Respondents offered and sold to the North Carolina investor a promissory note with a 20% return in 3 months on a $200,000 investment. The North Carolina investor provided Respondents $200,000 in exchange for the promissory note. Upon information and belief, on or about August 2009, Respondents provided the North Carolina investor a check in the amount of $25,000, as a return on the investment, and the North Carolina investor deposited the check. The North Carolina investor subsequently received notice that the $25,000 check was returned due to insufficient funds. Upon information and belief, Respondents then provided the North Carolina investor a certified check in the amount of $10,000, as a return on the investment. To date, the North Carolina investor has not received payment from Respondents of all monies owed in return of principal and interest.

5. Upon information and belief, Respondents offered and sold promissory notes in or from North Carolina to more than 25 persons between July 18, 2008 and July 13, 2009.

6. The offer and sale of the investments in the form of promissory notes stated above and as described herein, constitute the "offer" and "sale" of "securities" as those terms are defined pursuant to N.C.G.S. §§ 78A-2(8) and 78A-2(11).

7. The securities were not registered with the Securities Division of the Department of the Secretary of State under the North Carolina Securities Act prior to being offered and sold in North Carolina, as required by N.C.G.S § 78A-24.

8. By offering and selling the securities described herein to the public in North Carolina, Respondents were transacting business and acting as a "dealer" or "salesman" within the meaning of N.C.G.S. §§ 78A-2(2) and 78A-2(9).

9. At all relevant times complained of herein, Respondents were not registered as a dealer or salesman of securities as required by N.C.G.S § 78A-36.

10. Upon information and belief, on or about August 8, 2006, Respondents offered a North Carolina investor, located in Carolina Beach, North Carolina, an investment opportunity in a land development project in Watauga County, North Carolina (the "Watauga Project"). Respondent Grant served as managing partner of the Watauga Project, along with a second managing partner (the "Second Managing Partner"). Respondents offered and sold a promissory note in the amount of $300,000 to the North Carolina investor. Respondents offered the North Carolina investor a return of $8,100 on September 24, 2006 on the $300,000 investment. The North Carolina investor provided Respondents $300,000 in exchange for the promissory note. Upon information and belief, although the North Carolina investor provided Respondents $300,000, the Second Managing Partner reported that Respondents did not provide the $300,000 investment to the Watauga Project and did not use the $300,000 investment in the Watauga Project. Upon information and belief, to date, the North Carolina investor has not received payment from Respondents of any monies owed in return of principal and interest.

11. The offer and sale of the investments in the form of promissory notes described in

Paragraph 10 constitute the "offer" and "sale" of "securities" as those terms are defined pursuant to N.C.G.S. §§ 78A-2(8) and 78A-2(11).

12. The security described in Paragraph 10 was not registered with the Securities Division of the Department of the Secretary of State under the North Carolina Securities Act prior to being offered and sold in North Carolina, as required by N.C.G.S § 78A-24.

13. By offering and selling the security described in Paragraph 10 to the public in North Carolina, Respondents were transacting business and acting as a "dealer" or "salesman" within the meaning of N.C.G.S. §§ 78A-2(2) and 78A-2(9).

14. At all relevant times complained of herein, Respondents were not registered as a dealer or salesman of securities as required by N.C.G.S § 78A-36.

15. Upon information and belief, Respondents, in connection with the offer and sale of the security described in Paragraph 10, made an untrue statement of a material fact, in violation of N.C.G.S. § 78A-8. Upon information and belief, Respondents represented to the North Carolina investor that the $300,000 investment would be provided to and used in the Watauga Project. Upon information and belief, Respondents, however, did not provide the North Carolina investor's investment of $300,000 to the Watauga Project.

16. It is in the public interest of the citizens of North Carolina and for the protection of investors that Respondents be prohibited from violating the Securities Act in connection with the offer or sale of securities.

17. Respondents presently continue to have the ability to offer and sell securities to persons in North Carolina in violation of the provisions of N.C.G.S. §§ 78A-24, 78A-36, and 78A-8.

18. Respondents' solicitation of investors poses an immediate and significant danger to the public welfare because the securities offered have not been registered with the Division and Respondents have not registered as a dealer or salesman of securities. Proper registration of securities is an essential safeguard serving to protect the public from securities fraud. In

addition, the registration as a dealer or salesman, as required by the Securities Act, is essential to ensure that persons transacting business in this State are competent and properly authorized to do so.

19. Respondents' solicitation of investors also poses an immediate and significant danger to the public welfare because upon information and belief, Respondents, in connection with the offer and sale of a security, made an untrue statement of a material fact. The prohibition of fraud in connection with the offer and sale of securities is an essential safeguard to protecting the public.

20. An immediate Temporary Order to Cease and Desist is necessary and appropriate to address Respondents' violations of the North Carolina Securities Act. Any delay in issuing an order under N.C.G.S. §78A-47(b)(1) will result in irreparable harm to the public interest by allowing persons to continue to transact business in North Carolina in violation of its laws, and to its citizens in the form of economic loss resulting from investment in securities sold in violation of its laws.

CONCLUSIONS OF LAW

1. The Secretary has statutory authority pursuant to N.C.G.S. § 78A-47(b)(2) to enter and issue a Temporary Order to Cease and Desist against the Respondents.

2. There is reasonable cause to believe the Respondents have engaged in violations of the North Carolina Securities Act, specifically N.C.G.S. §§ 78A-24, 78A-36, and 78A-8.

3. There is reasonable cause to believe the Respondents will continue to commit acts and make statements in violation of the North Carolina Securities Act.

4. It is necessary and appropriate for the protection and preservation of the public interest that the Respondents summarily are ordered to cease and desist from making offers and sales of securities in violation of the North Carolina Securities Act.

5. The public interest would be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. § 78A-47(b)(1).

NOW, THEREFORE, IT IS ORDERED, pursuant to the authority contained in N.C.G.S. § 78A-47(b)(2), that Respondents, shall immediately cease and desist from:

a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, promissory notes or any other security, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the Securities Act; and

b. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, promissory notes or any other security, howsoever denominated, unless and until Respondents become registered as a dealer or salesman of securities pursuant to the provisions of the Securities Act.

c. in connection with the offer, sale or purchase of any security, making untrue statements of a material fact.

NOTICE IS HEREBY GIVEN that the Respondent may request a hearing upon this matter by transmitting such request, in writing and within thirty (30) business days of receipt of this document, to David S. Massey, Deputy Securities Administrator, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. A copy of any such request shall be served by first-class mail upon Tasha W. Sheehy, Enforcement Attorney, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. If such a request is made, this matter shall be scheduled for a hearing in accordance with Chapter 150B of the North Carolina General Statutes within twenty (20) days after receipt by the Deputy Securities Administrator of the written request. If no request for a hearing, other responsive pleading, or submission is received by the Deputy Securities Administrator within thirty (30) business days of the receipt of service hereof, this Temporary Order To Cease And Desist shall become final and remain in effect unless it is modified or vacated by the Secretary of State in her capacity as Administrator of the North Carolina Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 4th day of August, 2011.

Time of entry: 5:20 P.M.

ELAINE F. MARSHALL
SECRETARY OF STATE OF
NORTH CAROLINA and
SECURITIES ADMINISTRATOR

By:
DAVID S. MASSEY V
DEPUTY SECURITIES ADMINISTRATOR