

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
CHARLES WILLIAMS) ADMINISTRATIVE ORDER
) CD-2007-0016
)
RESPONDENT)

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. CHARLES WILLIAMS, ("WILLIAMS") is an Alabama resident, with a business and home address of 3705 Mineral Avenue SW, Birmingham, Alabama 35221.

STATEMENT OF FACTS

2. In August of 2006, WILLIAMS offered an investment in a neighborhood revitalization project to two Alabama residents, representing that the investors would net a 47% interest rate of return on their investment.

3. On August 3, 2006, the Alabama residents wrote check number 2227 from their joint AmSouth Bank checking account to WILLIAMS for the amount of \$30,000.00. WILLIAMS cashed the investors' check.

4. On August 10, 2007, WILLIAMS provided a written document titled "Loan

Agreement" ("Loan Agreement") to the investors. The investors signed the Loan Agreement and gave WILLIAMS a second check, number 2231, for the amount of \$8,000.00. The Loan Agreement stated that the return on the investment would be \$56,000, including interest. WILLIAMS cashed the check.

5. WILLIAMS provided the investors with a written document titled "Promissory Note" ("Promissory Note") dated August 23, 2006. The Promissory Note provided that WILLIAMS would repay the \$38,000 investment with 47% interest. The Promissory Note was signed by WILLIAMS and dated September 8, 2006.

6. On September 13, 2006, WILLIAMS provided the investors with a written statement agreeing to pay them \$2,500.00 bi-weekly until the loan was repaid in full "at the approximate rate of 32% or greater (40%)".

7. In January, 2007 a review of the registration files of the Alabama Securities Commission disclosed no record of the registration for WILLIAMS as a Dealer, Agent, Investment Advisor or Investment Advisor Representative in the state of Alabama.

8. In January, 2007 a review of the registration files of the Alabama Securities Commission disclosed no registration or exemption from registration for the offering in question, to wit: the security described as the Promissory Note and also described as the Loan Agreement referred to in paragraphs two (2), four (4) and five (5) of this Order, which was offered and sold by WILLIAMS.

CONCLUSIONS OF LAW

9 Under Section 8-6-2(10), Code of Alabama 1975, the definition of "security" includes "any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement...". The offering made by WILLIAMS and described in paragraphs two (2), four (4), and five

(5) above fall within the definition of a security under Section 8-6-2(10), Code.

10. Pursuant to Section 8-6-3, Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Securities Dealer or Agent, Investment Advisor or Investment Advisor Representative unless he is registered under the Act.

11. WILLIAMS is not registered as a Dealer, Agent, Investment Advisor or Investment Advisor Representative in the state of Alabama and has effected securities transactions in the state of Alabama with Alabama residents in violation of Section 8-6-3, Code.

12. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless the security is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The security referenced in paragraphs two (2), four (4) and five (5) of this order that was offered and sold by WILLIAMS to the Alabama residents was neither registered nor exempt from registration in Alabama. The offering and sale of the unregistered security by WILLIAMS was in violation of Section 8-6-4, Code.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENT immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered in Montgomery, Alabama, this 6th day of June, 2007.

ALABAMA SECURITIES COMMISSION
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BY:





J. RANDALL MCNEILL
Deputy Director