

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

**BAMA REMODELING AND REPAIR, LLC
GENE THOMAS LEGRONE, JR**

RESPONDENTS

**ADMINISTRATIVE ORDER
NO. CD 2008-0035**

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the 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:

RESPONDENTS

1. **BAMA REMODELING AND REPAIR, LLC. (BAMA)** held itself out to be a limited liability corporation that had a business address of 16786 North River Shores Road, Northport, Alabama, 35475.

2. **GENE THOMAS LEGRONE, JR., (LEGRONE)** at all times relevant, was described as the owner of **BAMA**, with a current address of 824 McFarland Boulevard, Northport, Alabama, 35476.

STATEMENT OF FACTS

3. Between December 9, 2005 and January 30, 2006, **LEGRONE**, working under the name of **BAMA**, provided two Alabama residents with cost estimates for repairs and renovations to their home located in Northport, Alabama.

4. At some time following the completion of the renovations **LEGRONE** told the Alabama residents that he was in the process of purchasing two Tuscaloosa County, Alabama properties for renovation and resale and suggested they invest with him. **LEGRONE** represented that upon resale of the property he would repay the principal investment along with interest.

5. Between January 19, 2006 and July 13, 2006 the Alabama residents issued seven investment checks to **LEGRONE**, totaling \$45,065.00, which were to be used toward the renovations of the properties as described by **LEGRONE**.

6. On July 3, 2006, **LEGRONE** executed a promissory note with the Alabama residents for \$50,500.00 for the aforementioned properties and agreeing to pay the Alabama residents back with interest and profit.

7. In a written statement made by **LEGRONE** to a Northport Tuscaloosa Police Investigator, **LEGRONE** admitted he never purchased one of the represented properties and sold the other for less than the value he expected. **LEGRONE** admitted to taking the profits from the sale of the second property and using them to pay off court ordered judgments filed against him.

8. A review of the Alabama Secretary of State's website found no listing of the **RESPONDENTS** as being registered with that office.

9. On October 15, 2008, a review of the Commission's registration files disclosed no record of registration for **RESPONDENTS** as a Dealer or Agent for securities in the state of Alabama.

10. On October 15, 2008, a review of the Commission's registration files disclosed no record of registration, or any perfected exemption from registration, in the state of Alabama for the investment contracts entered into between the Alabama resident and the **RESPONDENTS**.

CONCLUSIONS OF LAW

11. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of "security" includes any note or investment contract. The verbal agreement, which was further evidenced by a note issued by **LEGRONE** after receipt of the invested funds, fall within the definition of an investment contract and are therefore securities under the statutory definition set forth in the Act.

12. Pursuant to Section 8-6-2(2), Code of Alabama 1975, the definition of "Agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **LEGRONE** acted as an Agent of **BAMA** when soliciting investment funds from the Alabama residents.

13. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is registered under this article. It is unlawful for any dealer or issuer to employ an Agent unless the Agent is registered. **RESPONDENTS**, while not being registered as a Dealer or Agent in the state of Alabama, have effected transactions in securities with Alabama residents in violation of the Act.

14. Section 8-6-4, Code of Alabama 1975 states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11." The securities offered and sold by the **RESPONDENTS** were neither registered nor subject to a perfected exemption from registration in Alabama at the time of solicitation or sale in violation of the Act.

This Order does not prevent the 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 BAMA REMODELING AND REPAIR, LLC, and GENE THOMAS LEGRONE, JR., immediately CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 19th day of November 2008



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BY:



J. RANDALL McNEILL
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