



development and testing." DOERING further stated that the investor "is to receive one percent (1%) interest in future earnings. This includes earnings from the initial sale of distribution rights of the emulsion. This also includes the same 1% of royalties from annual sales."

4. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on November 4, 2008 disclosing no record of registration or any perfected exemption for the security, to wit: the investment contract offered by GRISSOM and DOERING, in the state of Alabama.

5. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on November 4, 2008 disclosing no record of registration for DOERING as a broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

6. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on November 4, 2008 disclosing no record of registration for GRISSOM as a broker dealer in the state of Alabama.

#### **CONCLUSIONS OF LAW**

7. Section 8-6-2(10), Code of Alabama 1975, defines an investment contract as a security. The offer made by GRISSOM and DOERING in paragraph 3 falls within the definition of an investment contract and is therefore a security under the act.

8. DOERING was not registered as a broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as a dealer or agent for securities unless such person is registered under the Act. DOERING unlawfully effected transactions in a security while not registered under the Act.

9. GRISSOM was not registered as a broker dealer in the state of Alabama. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact

business in this state as a dealer or agent for securities unless such person is registered under the Act. GRISSOM unlawfully acted in the capacity of a broker dealer while not registered under the Act.

10. The security offered and sold by GRISSOM and DOERING, to wit: the investment contract, was not registered in the state of Alabama. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10 or the transaction is exempt under section 8-6-11. GRISSOM and DOERING offered and sold a security of GRISSOM which was neither registered nor subject to any perfected exemption.

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

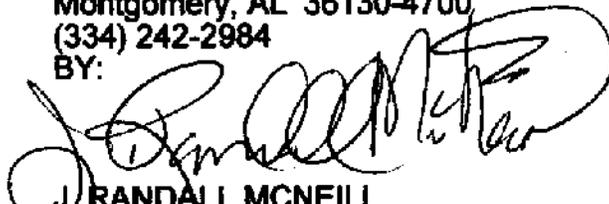
This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

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

Entered at Montgomery, AL, this 26<sup>th</sup> day of January, 2009.

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

  
J. RANDALL MCNEILL  
DEPUTY DIRECTOR

