

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)

LONNIE HOWARD CORRELL)

RESPONDENT)

ADMINISTRATIVE ORDER
NO. CD-2009-0021

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, upon due consideration of the subject matter hereof, has determined as follows.

RESPONDENT

1. LONNIE HOWARD CORRELL ("CORRELL") is a licensed insurance agent with the Alabama Department of Insurance, license number 0000755. CORRELL has a business address of 294 West Main Street, Suite 102, Dothan, Alabama 36301-1628.

STATEMENT OF FACTS

2. On September 4, 2007, the Commission opened an inquiry based on an advertisement that CORRELL ran in the Dothan Eagle Newspaper. The advertisement listed CORRELL'S business as "Financial Services." There was no statement in the advertisement that CORRELL was an insurance agent or that he offered insurance products. The Commission sent a corporate inquiry letter to CORRELL which resulted in a meeting between CORRELL and the Commission staff to discuss the advertisement. The Commission suggested that CORRELL add the word "insurance" in his advertisement, and CORELL complied. The Commission closed the inquiry with no further action.

3. On June 29, 2009, an Alabama resident reported to the Commission that CORRELL has an internet website which caused the resident to believe that CORRELL is an investment adviser. The address of the website is <http://lonniecurrell.retirex.com/index.php>.

4. On this website, CORRELL advertises that he "specializes in providing planning and guidance for those who are seeking a better lifestyle in retirement" and that he "can help

you deploy your retirement money properly – meeting your liquidity needs and making sure your risk is suitable at the same time helping you strike a proper balance between the short-term and the longer-term maturities”

5. On a website link called “Ask The Pros”, CORRELL states the following, “Have questions about your retirement investments? Poor investment decisions could mean the difference in a happy and plentiful lifestyle and one where financial security is jeopardized, so get your answers from the experts.”

6. The website states, “You can request a free, private consultation with an experienced financial professional.”

7. The website offers a free newsletter called “Safe Money Advisory”. The news letter is described as “written for investors or savers who want to learn how their ‘just in case’ or retirement money can earn the maximum amount of interest without being exposed to the risk of loss.”

8. The website has a page where questions can be submitted and a response will be sent via e-mail.

9. The website contains a disclaimer which reads, “Answers provided here are only educated opinion and Lonnie Correll cannot be held responsible for financial investment decisions. It may be necessary to contact an advisor for more guidance and making further investment decisions.”

10. The website does not contain any information that CORRELL is a licensed insurance agent and not a licensed investment adviser.

11. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on July 17, 2009 disclosing no record of registration for CORRELL as a broker dealer agent, investment adviser, or investment adviser representative in the state of Alabama.

CONCLUSIONS OF LAW

12. Under Section 8-6-2(18), Code of Alabama 1975, the definition of "Investment Adviser" includes any person, who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment Adviser" also includes financial planners and other persons who, as an integral component of other financially related services, provide the foregoing investment advisory services to others for compensation and as part of a business or who hold themselves out as providing the foregoing investment advisory services to others for compensation.

13. Section 8-6-2(18)(f), Code of Alabama 1975, provides an exclusion from the definition of "Investment Advisers" for insurance companies, their employees and agents "who are engaged exclusively in the sale or distribution of life, health, or casualty insurance or insurance related products". The commentary to the Act specifically states that the exclusion is "not intended to exclude insurance companies or agents who hold themselves out as financial planners or who otherwise engage in the business of advising others regarding investments in securities."

14. CORRELL represents that he is a financial planner through his website advertisements, and therefore falls within the definition of Investment Adviser as defined in Section 8-6-2(18), Code of Alabama, 1975.

15. Pursuant to Section 8-6-3(b), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as an investment adviser unless such person is registered under the Act. Through his website advertisements, CORRELL engaged in an investment advisory business while not registered under the Act, in violation of section 8-6-3(b).

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 RESPONDENT immediately **CEASE AND DESIST** from conducting business as an unregistered Investment Adviser or Investment Adviser Representative, within or from the state of Alabama

Entered at Montgomery, AL, this 30th day of July, 2009.



ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
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(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line.

JOSEPH P. BORG
DIRECTOR