

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)

CHARLES BOYD LEE)

RESPONDENT)

ADMINISTRATIVE ORDER
NO. CD 2012- 00 08

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:

RESPONDENT

1. **CHARLES BOYD LEE ("LEE")** is an Alabama resident with a residential address of 409 Cambrian Bridge Trail, Pelham, Alabama 35124. He is not currently registered nor has he ever been registered with the Commission in any capacity.

STATEMENT OF FACTS

2. In January 2010, **LEE** offered an investment opportunity through an advertisement published on craigslist. **LEE** represented in the advertisement that for a \$20,000 investment, he would return \$45,000 in 45 to 90 days.

3. In January 2010, a California resident ("Investor") contacted **LEE** through the craigslist advertisement. **LEE** represented that he needed \$20,000 for a lease/purchase agreement for a residential property located in Birmingham, Alabama. **LEE** represented that he also planned to use the funds on plans and permits for the end buyer to

renovate the property. LEE represented that the return on the investment would come from the sale of the property to the end buyer.

4. The Investor told LEE he could only invest \$5000. LEE represented that he had another individual who was willing to invest \$15,000. LEE represented that he could pool the Investor's \$5000 with the funds from the other individual.

5. On or about January 31, 2010, LEE issued a Promissory Note to the Investor. The Promissory Note was signed by LEE and the Investor. According to the Promissory Note, LEE promised to pay Investor "a sum of \$5000 plus an additional amount such that the total payment is equal to twenty-five percent (25%) of the profits from the sale of the property located at...Birmingham, Al 35209, together with interest thereon at a rate of 7 percent (%) per annum on the unpaid balance with interest to be compounded annually (hereinafter, "the loan amount"). The entire outstanding Loan Amount (including principal and any accrued interest) shall become fully due and payable by BORROWER to the LENDER or any subsequent assignee of this note on April 15, 2010."

6. On or about February 1, 2010, the Investor sent a \$5000 personal check by United States Postal Service Express Mail to a Pelham, Alabama address provided by LEE. The personal check was made payable to LEE. The check was negotiated by LEE on or about February 4, 2010.

7. LEE did not pay the Investor as promised in the Promissory Note.

8. On February 1, 2012, a review of the Commission's registration files disclosed no record of registration or any perfected exemption from registration for the Promissory Note in the State of Alabama.

9. On February 1, 2012, a review of the Commission's registration files disclosed no record of registration for LEE as broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama

CONCLUSIONS OF LAW

10. Pursuant to Section 8-6-2(10), Code of Alabama 1975, Alabama's statutory definition of a security includes any note, stock or evidence of indebtedness. The promissory note offered and sold by **LEE** is a security under the Act.

11. 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 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 offered and sold, to wit; the Promissory Note by **LEE** was neither registered nor exempt from registration in Alabama in violation of the Act.

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.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENT** to make a timely request for hearing, or default of the **RESPONDENT**, it is the intention of the Commission to impose sanctions upon the **RESPONDENT**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENT**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENT**, and a permanent order to bar **RESPONDENT** from participation in any securities related industry in the state of Alabama.

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 at Montgomery, AL, this 13th day of February, 2012.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
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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. The signature is stylized and extends downwards with a long, thin tail.

Joseph P. Borg
Director