STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

CHEAHA MANAGEMENT, LLC
PALISADES PARTNERS, LLC
WAYNE HARRIS SMITH
VERNON W. BANKS

RESPONDENTS

ADMINISTRATIVE ORDER
NO. CD-2003-0035

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power 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. CHEAHA MANAGEMENT, LLC ("CHEAHA") is an Alabama business, with a business address of P O Box, 336 Heflin, Alabama, 36264-0336.

2. PALISADES PARTNERS, LLC ("PALISADES") is an Alabama business with a business address of 267 Lakeview Drive, Heflin, Alabama, 36264.

3. WAYNE HARRIS SMITH ("SMITH"), during all times relevant to this complaint, acted as an Agent and manager of Cheaha Management, LLC. with a business address of, P O Box, 336, Heflin, Alabama, 36264, and a home address of 267 Lakeview Drive Heflin, Alabama 36602.

4. VERNON W. BANKS ("BANKS"), during all times relevant to this complaint, acted as an Agent of Cheaha Management, LLC with a business address of P O Box 336, Heflin, Alabama, 36264-0336. and a home address of 1644 County Road 43, Heflin, Alabama 36269.
STATEMENT OF FACTS

6. The Commission received information that Smith and Banks solicited the sale of off shore securities, to wit: involving an agreement with at least 3 Alabama investors promising a 5 to 15 percent return. Neither Cheaha, Palisades, Smith, nor Banks are not registered as a securities Agent, Dealer and/or investment Advisor in the state of Alabama.

7. Interviews with investors were conducted in which all stated the investments were obtained through a verbal solicitation agreement with Smith and/or Banks.

8. A review of the files of the Alabama Securities Commission disclosed no record of registration nor exemption from registration of the securities of Cheaha, or Palisades.

CONCLUSIONS OF LAW

9. Neither Cheaha, Palisades, Smith, or Banks are registered or exempt from registration as a Dealer or Agent in the state of Alabama. The sale of securities by an unregistered Dealer or Agent in the state of Alabama is a violation of Section 8-6-3 (a), Code of Alabama 1975.

10. The securities as described in items 6 above of Cheaha or Palisades are neither registered nor exempt from registration in the state of Alabama. The sale of unregistered Securities, in the state of Alabama is a violation of Section 8-6-4, Code of Alabama 1975.

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 RESPONDENTS immediately CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.