

taxes are incurred and paid by the K1 under HBM LLC holdings and from the undisclosed third party." The investor has not received the disbursements as stated in the Agreement.

4. On April 23, 2008, Honda Manufacturing of Alabama, LLC (Honda), reported to the Commission that Honda has no record of any real estate transactions with HBM and/or DIXON.

5. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 18, 2008 disclosing no record of registration or any perfected exemption for the security, to wit: the HBM Return Agreement, in the state of Alabama.

6. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 18, 2008 disclosing no record of registration for DIXON as a broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

7. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 18, 2008 disclosing no record of registration for HBM as a broker dealer in the state of Alabama.

CONCLUSIONS OF LAW

9. Section 8-6-2(10), Code of Alabama 1975, defines an investment contract as a security. The HBM Return Agreement is a security under the Act.

10. DIXON 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. DIXON unlawfully effected transactions in a security while not registered under the Act.

11. HBM 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. HBM unlawfully acted in the capacity of a broker dealer while not registered under the Act.

12. The security offered and sold by HBM and DIXON, to wit: the HBM Return Agreement, 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. HBM and DIXON offered and sold a security of HBM 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 22 day of May, 2008.

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

BY:


JOSEPH P. BORG
Director