STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

UNIVERSAL WOOD PRODUCTS, LLC
CENTURY LUMBER AND LAND, LLC
MILTON TIMBER, LLC
JAMES LEONARD CRAFT
GLENN LAVON GILLMAN

RESPONDENTS

ADMINISTRATIVE ORDER
NO. CD 2010-0053

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:

RESPONDENTS

1. UNIVERSAL WOOD PRODUCTS, L.L.C., ("UNIVERSAL") is a Alabama Limited Liability Company organized on October 22, 2008 to engage in any and all aspects of the timber and wood industry, with a business address of 1521 Azalea Road, Mobile, Alabama, 36693-5219.

2. CENTURY LUMBER AND LAND, L.L.C., ("CENTURY") is a Florida Limited Liability Company formed on December 1, 2008 and is purportedly in the business of purchasing and/or producing railroad cross ties with a principal business address of 5911 Starlite Lane, Milton, Florida, 32570.
3. **MILTON TIMBER, L.L.C.,** ("MILTON TIMBER") is a Florida Limited Liability Company formed on May 11, 2007 and is purportedly in the business of purchasing and/or producing railroad cross ties with a principal business address of 5911 Starlite Lane, Milton, Florida, 32570.

4. **JAMES LEONARD CRAFT** ("CRAFT"), a Florida resident, is the Manager of **CENTURY** and **MILTON TIMBER** with a principal address of 5911 Starlite Lane, Milton, Florida, 32570.

5. **GLENN LAVON GILLMAN** ("GILLMAN"), an Alabama resident, is the Managing Member of **UNIVERSAL** with a residential address of 2576 White Oak Drive, Southside, Alabama, 35907.

**STATEMENT OF FACTS**

6. On August 2, 2010 an Alabama resident revealed that in late September or early October 2008 a business associate and missionary residing in Tennessee introduced him to an opportunity whereby he could make money investing in a business buying and selling railroad cross ties. The business associate suggested the Alabama investor meet with **CRAFT** and **GILLMAN** concerning an investment in which the Tennessee resident’s ministry would benefit.

7. The Alabama investor provided the Commission with a copy of an electronic mailing dated September 29, 2008, indicating that **GILLMAN** sent the electronic message to the Tennessee missionary identified in item number six (6) advising that **CRAFT** and he would pay the Tennessee missionary a commission for soliciting and introducing to them the potential Alabama investor. This offer was contingent upon an investment being made by the Alabama investor.

8. In October 2008 the Alabama investor met with **CRAFT** and **GILLMAN**, not only offering to invest in their business venture but agreeing to assist **CRAFT** and **GILLMAN**
in preparing and filing documents necessary to form a limited liability company within the State of Alabama. Furthermore, CRAFT and GILLMAN issued two promissory notes in the name of an Alabama Corporation operated by the Alabama investor for the principal sum of $140,000.00 purportedly to be used for the purchase and resale of the railroad cross ties. Both CRAFT and GILLMAN executed the two promissory notes. Said notes were payable on the earlier of ninety days from the date of the note or the date the borrower was paid on its first sale of railroad cross ties.

9. A review of the Alabama Secretary of State’s website revealed that on October 22, 2008, UNIVERSAL filed as a limited liability company. Both CRAFT and GILLMAN are identified as Managers of the business entity.

10. The Commission is in receipt of documents obtained as evidence from the Florida Department of State, Division of Corporations revealing that CENTURY was formed as a limited liability company on December 1, 2008, identifying CRAFT as one of its managers.

11. In December 2008, CRAFT and GILLMAN met with two additional Alabama residents offering them an opportunity to invest in a railroad cross tie business. CRAFT and GILLMAN related to the potential Alabama investors how they were to purchase the cross ties from lumber yards in South America and sell them to United States railroad companies suffering from a shortage of the lumber product. On December 24, 2008, at the instruction of CRAFT, one of the Alabama investors wire transferred $25,000.00 into the account of MILTON TIMBER as an initial investment in CENTURY. This was the first portion of what was to be a $40,000.00 investment to be completed by the third identified Alabama investor. On December 29, 2008, as evidence of receipt of the initial payment, CRAFT issued the Alabama investor a promissory note for a forty thousand dollar investment. This note was endorsed only by CRAFT, but appears to have initials acknowledging contractual alterations by both CRAFT and GILLMAN.
12. On January 2, 2009, the third Alabama investor purchased a cashier’s check in the amount of $15,000.00 payable to CENTURY representing the balance of the aforementioned $40,000.00 via the promissory note dated December 29, 2008.

13. On October 16, 2009 and November 21, 2009, CRAFT representing CENTURY and acting as it’s manager, advised one of the Alabama investors in writing that the company is still active and notified him of an attempt to close MILTON.

14. On August 31, 2010 a review of the Commission’s registration files revealed no record of registration for CRAFT or GILLMAN as a Dealer or Agent for securities in the state of Alabama.

15. On August 31, 2010 a review of the Commission’s registration files disclosed no record of registration, or any perfected exemption from registration, in the State of Alabama for the promissory notes issued on October 22, 2008 in the amount of $140,000.00 and December 29, 2008 in the amount of $40,000.00 to the Alabama residents.

16. On January 8, 2010, GILLMAN was named a respondent in an Alabama Securities Commission Administrative Order No. CD 2010-0003 and was directed to immediately cease and desist from further offers or sales of any security into, within or from the State of Alabama. Said order is still active and in effect as of the date of this filing.

CONCLUSIONS OF LAW

17. Section 8-6-2(10), Code of Alabama 1975, enumerates any “note” and/or “evidence of indebtedness” as a security. The promissory notes issued and dated October 22, 2008 in the amount of $140,000.00 and December 29, 2008 in the amount of $40,000.00 to the Alabama residents are securities as described in the Act.
18. Under Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. CRAFT and GILLMAN represented UNIVERSAL, CENTURY and MILTON in effecting the offer of securities in the form of promissory notes. The RESPONDENTS are dealers and agents under in the Act.

19. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is registered under this article. CRAFT and GILLMAN acted as a Dealer or agents of UNIVERSAL, CENTURY and MILTON while not being registered with the Commission in violation of the Act.

20. 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 securities offered by the RESPONDENTS to wit: "promissory notes" were neither registered nor exempt from registration in Alabama at the time of solicitation and/or sale 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 administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the
violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

**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 25th day of October, 2010.

ALABAMA SECURITIES COMMISSION
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(334) 242-2984
BY:

J. Randall McNeill
Deputy Director