

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:     )  
                                  )  
DAVID LEO DENNIS     )  
                                  )  
          RESPONDENT          )

ADMINISTRATIVE ORDER  
NO. OB-2003-0021

ORDER OF BAR

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

RESPONDENT

1.     DAVID LEO DENNIS ("DENNIS"), during the period of August 18, 2000 to February 7, 2003, was a securities agent of an Alabama registered dealer, Gunnallen Financial, Inc. ("Gunnallen"). Prior to that employment, from May 11, 1998 to August 21, 2000, DENNIS was a securities agent of an Alabama registered dealer, Birchtree Financial Services, Inc. ("BFS"). DENNIS voluntarily terminated his employment at both firms. DENNIS' last listed address is 2700 Via Fortuna, Austin, Texas 78746.

STATEMENT OF FACTS

2.     During all times relevant to the issuance of this Order, DENNIS was a registered agent of BFS and/or Gunnallen.

3.     In March 2000, DENNIS and two Raymond James registered securities agents Rodney Howard Lankford ("Lankford"), and Harry Jelks Vance, Jr ("Vance"), promoted, offered, and sold unregistered securities, to wit: interest in a Limited Partnership involving Gadsden LP, to nine Alabama residents.

4. Gadsden LP ("Gadsden LP") was originally formed by DENNIS and Lankford. Investments in Gadsden LP would allegedly be invested by DENNIS into "e.Wanted", a reverse auction internet based website. Records indicate that the investment funds were funneled through another Dennis operated entity represented as Gadsden LP's general partner, Road Runner Asset Management, LLP ("Road Runner"). Road Runner had a business address of 8310 Capitol of Texas Highway, Suite 490, Austin, Texas 78731

5. The Commission received complaints, from numerous Alabama residents that maintained accounts at Raymond James, alleging that DENNIS and his associates, Vance and Lankford, began promoting and selling investments in the Gadsden LP Private Placement for a minimum investment of \$50,000.00 per investor.

6. DENNIS, Vance, and Lankford represented to investors, in their solicitation of funds, that:

- A. e.Wanted would be the subject of an Initial Public Offering (IPO) by the fourth quarter of year 2000.
- B. e.Wanted was in negotiations to potentially be acquired by either Ebay.com or YAHOO.com.
- C. There was a minimum total investment of \$1 million to buy into the e.Wanted private placement deal.
- D. That DENNIS, Vance, and Lankford had also personally invested in e.Wanted.

7. DENNIS represented to investors that Jack Lynch, a personal friend and "shrewd" investor from Texas, had invested heavily in e. Wanted and had offered the opportunity to DENNIS. In turn, DENNIS offered it to Lankford. Since Lankford did not have the full minimum investment amount, he in turn offered it to a select group of his Raymond James clients.

8. By conducting meetings at the offices of Raymond James and by using correspondence to investors and /or potential investors on Raymond James letterhead concerning Gadsden LP, investors were led to believe that Raymond James endorsed and sanctioned the sale of Gadsden LP interest, when actually DENNIS, Vance, and Lankford were “selling away” from their respective firms.

9. DENNIS, Vance and Lankford solicited a total of \$375,000.00 into their Gadsden LP Private Placement investment from nine Alabama residents.

10. In April 2002, investors received both written and verbal notification that e.Wanted had filed bankruptcy on December 21, 2001. DENNIS, Vance, and Lankford failed to notify investors of the pending action prior to the filing. In addition, DENNIS, Vance, and Lankford failed to advise investors their Gadsden LP interest were worthless, until several months after the bankruptcy filing. During the period between December 2001 and April 2002, DENNIS, Vance, and Lankford repeatedly advised investors that their investment in e.Wanted was sound and productive.

11. Review of the files of the Registration Division, Alabama Securities Commission, disclosed no record of registration, exemption from registration, for the membership interest of Gadsden LP, Road Runner LLP or Gadsden LP as a broker dealer in the State of Alabama.

#### CONCLUSIONS OF LAW

12. Gadsden LP is not registered as a broker dealer in the state of Alabama. The offer and/or sale of securities within or into the state of Alabama without the benefit of registration is a violation of § 8-6-3(b), Code of Alabama, 1975.

13. The securities being solicited and sold by DENNIS, Vance, and Lankford, to wit: interest in Gadsden LP, was not registered in the state of Alabama. The sale of unregistered securities, into, within, or from the state of Alabama is a violation of section 8-6-4, Code of Alabama 1975.

14. Road Runner LLP is not registered as a broker dealer in the state of Alabama. The offer and/or sale securities within or into the state of Alabama without benefit of registration are a violation of § 8-6-3(a), Code of Alabama, 1975.

15. DENNIS has violated the provisions of Section 8-6-3(j)(7) and 8-6-4, Code of Alabama 1975 by engaging in dishonest or unethical practices in the securities business, to wit: by participating in the execution of transactions which RAYMOND JAMES has represented were unauthorized, by selling away to clients unregistered interests in the Gadsden LP Private Placement investment.

16. DENNIS has violated the provisions of Section 8-6-17(a)(3), Code of Alabama 1975 by engaging in an act, practice, or course of business which operates or would operate as a fraud upon any person, to wit: the establishment of Road Runner LLP and Gadsden LP for the purpose of soliciting Alabama residents to purchased \$375,000.00 of unregistered securities, to wit interests in "e.Wanted".

17. As a result of the actions of Vance, Lankford and Dennis, on August 26, 2003, the Commission issued a Cease and Desist Order, Administrative Order No. OB-2003-0021 to Gadsden LP and Road Runner LLP, and a Show Cause Order, Administrative Order No. SC-2003-0020 to Vance and Lankford.

18. Pursuant to the provisions of Section 8-6-3(j), Code of Alabama 1975, the Alabama Securities Commission may suspend, revoke, deny, censor or bar any applicant or registrant or any officer, director, partner, or person occupying a similar status or performing similar functions if the Commission finds that the Order is in the public interest and the applicant or registrant has willfully violated or willfully failed to

comply with any provisions of this article, or a predecessor act, or any rule or order under this article or a predecessor act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENT be permanently **BARRED** from registration or engaging in securities activities into, within or from the state of Alabama.

Entered at Montgomery, Alabama this 28<sup>th</sup> day of August, 2003.



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. The signature is stylized with a large, sweeping loop at the beginning and end.

JOSEPH P. BORG  
Director