

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

**IN THE MATTER OF:**

## **CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having 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. SAM JONES CARROLL III ("CARROLL III") home address of 120 Heritage Circle, Birmingham, Alabama 35213 is an unlicensed person who has represented himself as an agent of P&C Grocers, Inc. ("P&C Grocers") for the purpose of selling shares in P&C Grocers Inc.

## **STATEMENT OF FACTS**

2. The Commission is in receipt of information that in July 2007, Carroll solicited two (2) Alabama residents to purchase unregistered securities, to wit: shares of P&C Grocers stock.

3. P & C Grocers Inc., is a chain of (9) convenient stores which are located in southeast Alabama and the panhandle of Florida. Brian Lebold, Trotman Carroll, and Charles Parker each own a one third (1/3) interest in P&C Grocers. The owners of P&C Grocers did not give their consent to Carroll to sell shares of stock in P&C Grocers and had no knowledge that Carroll was offering to sell such stock.

4. Carroll represented to Alabama investors that the stock offer was for a 25% ownership interest in P&C Grocers, valued at \$125,000.00. On June 30, 2007, the two Alabama investors agreed to buy the stock, splitting the 25% position and paying \$62,500.00 each.

5. The investors were provided written instructions by Carroll to wire transfer \$101,000.00 to an account held at the Merrill Lynch office in Birmingham, Alabama and \$24,000.00 to Carroll's personal checking account at Commercial Bank of Ozark. Carroll told the investors that the funds would be used to purchase P&C Grocers stock.

6. On August 23, 2007, Carroll solicited an Alabama investor to buy 12 1/2% ownership interest in P&C Grocers, valued at \$40,000.00. On this same date the investor wrote Carroll a personal check in the amount of \$40,000.00 which Carroll deposited \$20,000.00 into his wife's personal checking account and \$20,000.00 into his personal checking account. Both accounts were held at Commercial Bank of Ozark.

7. On March 23, 2009, a review of the Registration files of the Alabama Securities Commission revealed no registration for the RESPONDENT as a Broker Dealer, Securities Agent, Investment Advisor (IA) or Investment Advisor Representative (IAR) in the state of Alabama.

8. The alleged shares of P&C Grocers stock sold by Carroll without the knowledge or consent of the owners is not registered or exempt from registration with the Alabama Securities Commission.

#### CONCLUSIONS OF LAW

9. Section 8-6-2 (10), Code of Alabama 1975, includes in the definition of a "security" any "stock". The stock offered by the RESPONDENT to the Alabama residents is a security as defined by the Act.

10. 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 the Act. Carroll sold P&C Grocers stock to two Alabama residents. Carroll was never registered as a dealer or agent. The offer and or sale of stock to the two Alabama residents by Carroll is a violation of Section 8-6-3(a), Code of Alabama 1975.

11. Pursuant to Section 8-6-4, Code of Alabama 1975, 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 P&C Grocers stock allegedly sold by Carroll was not registered under the act or subject to any perfected securities or transactional exemption. The offer of alleged P&C Grocer's stock is a violation of Section 8-6-4, Code of Alabama 1975.

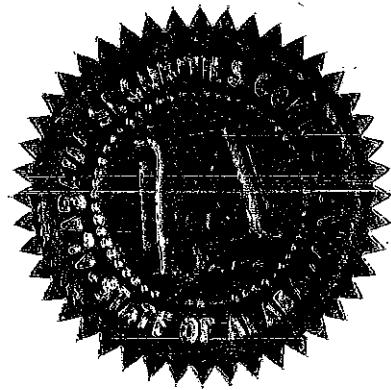
This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

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

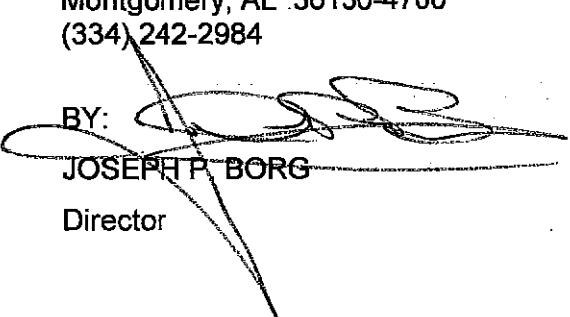
Additionally, if the allegations set forth herein are found to be true, though either administrative adjudication, failure of the RESPONDENT to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENT. Such sanctions may include, *inter alia*, an administrative assessment imposed on RESPONDENT, an additional administrative assessment for investigative cost arising from the investigation of the 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 SAM JONES CARROLL III immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 14th day of APRIL, 2009.



ALABAMA SECURITIES COMMISSION  
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BY:   
JOSEPH P. BORG  
Director