

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
FIRST CAPITAL TRADING )  
G & G FINANCIAL SERVICES )  
HALLMARK MANAGEMENT INC )  
GREGORY EARLE POMEROY )  
GLENN LAVON GILLMAN )  
JOHN B. GILLMAN )  
RESPONDENTS )  
ADMINISTRATIVE ORDER  
NO. CD 2010-00<sup>03</sup>

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. **FIRST CAPITAL TRADING ("FCT")** at all times relevant to the issuance of this Order was a Tarrant County, Texas, unincorporated sole proprietorship business entity, with Tarrant County business license # A204014765, with a business address of 3332 Harwood Road, Bedford, Texas 76021-3904. FCT is being represented as a foreign currency trading and investment business.
2. **G & G FINANCIAL SERVICES ("G & G")** at all times relevant to the issuance of this Order, is represented as a foreign currency & stock exchange business entity, with a business address of 1000 14<sup>th</sup> Street, Suite 237, Plano, Texas, 75074-6220. Records indicate that G & G now operates from 2576 White Oak Drive, Southside, Alabama, 35907.

3. **HALLMARK MANAGEMENT, INCORPORATED** ("HALLMARK") during all times relevant to the issuance of this Order is purportedly a Foreign Currency Trading, and Financial Management entity with a business address of 4358 Midmost Drive, Mobile, Alabama, 36609.

4. **GREGORY EARLE POMEROY** ("POMEROY") during all times relevant to the issuance of this Order was the owner and main contact person of **FCT**. **POMEROY** operates the business of **FCT** from his residence, with an address of 3332 Harwood, Bedford, Texas, 76021.

5. **GLENN LAVON GILLMAN** ("GLENN GILLMAN") an Alabama resident during all times relevant to the issuance of this Order is purportedly a partner of **POMEROY** in **G & G**. **GLEN GILLMAN** operates his portion of **G & G** out of his residence with an address of 2576 White Oak Drive, Southside, Alabama, 35907.

6. **JOHN GILLMAN** ("JOHN GILLMAN") an Alabama resident during all times relevant to the issuance of this Order was the President and Secretary of **HALLMARK MANAGEMENT, INC.** operated from his residence with an address of 2401 Wyeth Drive, Mobile, Alabama, 35976-2629.

#### STATEMENT OF FACTS

7. **FIRST CAPITAL TRADING** ("FCT") is owned and operated by **GREGORY EARL POMEROY** ("POMEROY"). Mr. **POMEROY** operates **FCT** from his residence, 3332 Harwood Road, Bedford, Texas, 76021-3904. Bank records revealed that all known Alabama investor funds, as a result of investments sold through **G & G** and **HALLMARK**, were sent to **POMEROY** via **FCT**'s bank accounts in Texas.

8. Beginning July 5, 2005 **GLENN GILLMAN** and **JOHN GILLMAN** solicited and sold more than twenty (20) investments, to wit: investment contracts identified as

“Funding Agreements” to Alabama residents totaling more than \$341,000.00. All of these investment contracts were sold through **G & G** and **HALLMARK**. It was represented to the investors that they would receive ten percent (10%) each month as a return on their investment. Investors were also promised that their entire investment principal would be personally guaranteed by **POMEROY**.

9. A review of the Alabama Secretary of State’s website found no filing for **G & G**. **GLENN GILLMAN** originally conducted business as **G & G** from a past address of 1000 14<sup>th</sup> Street, Suite 237, Plano, Texas 75074-6220. Currently **GLENN GILLMAN** utilizes 2576 White Oak Drive, Southside, Alabama, 35907 as his mailing address.

10. A review of the Alabama Secretary of State’s website revealed that **HALLMARK** was originally incorporated in the State of Alabama as a Domestic Corporation (#047-521) on August 11, 1977, in Mobile County, Alabama as Gillman Brothers, Incorporated by **JOHN** and **GLENN GILLMAN**. Records reflect that the company changed its name on August 19, 1983 to **HALLMARK SECURITIES, INCORPORATED** and then again on November 7, 1984 to **HALLMARK MANAGEMENT, INCORPORATED**. **HALLMARK’S** Articles of Incorporation name **JOHN GILLMAN** as the sole incorporator with a business address of 4358 Midmost Drive, Mobile, Alabama, 36609.

11. On December 18, 2009 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 securities described in item #8.

12. On December 18, 2009, a review of the Commission’s registration files disclosed no record of registration for **POMEROY** or **GLENN GILLMAN** as a Dealer or Agent for securities in the state of Alabama. The review further disclosed that **JOHN GILLMAN** was previously registered in the State of Alabama as a Securities Agent from November 2, 1987 through February 15, 1989. The files reflect that **JOHN GILLMAN** is not currently, nor was he registered during any period relevant to the issuance of this Order.

## CONCLUSIONS OF LAW

13. Section 8-6-2(10), Code of Alabama 1975, enumerates an "investment contract" as a security. The Funding Agreements offered by the **RESPONDENTS** are investment contracts which are defined as securities under the Act.

14. 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. **GLENN GILLMAN**, **JOHN GILLMAN** and **POMEROY** by soliciting and effecting sales of securities, to wit; investment contracts entitled "Funding Agreements", to Alabama residents are securities "Agents" as defined by the Act.

15. 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. **GLENN GILLMAN**, **JOHN GILLMAN** and **POMEROY** sold securities in the State of Alabama while not being registered with the Commission in violation of the Act.

16. 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 and sold as mentioned in item #14 by the **RESPONDENTS** were neither registered nor exempt from registration in Alabama 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 either 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 8<sup>th</sup> day of January, 2010.



ALABAMA SECURITIES COMMISSION  
401 Adams Avenue, Suite 280  
Montgomery, AL 36104  
(334) 242-2984

BY:

Joseph P. Borg  
Director