

**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  
DOUGLAS MICHAEL DANFORD**

**RESPONDENTS**

**AMENDED  
ADMINISTRATIVE ORDER  
NO. CD 2010- 0053A**

**AMENDED 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, previously issued CD 2010-0053, dated October 25, 2010, naming **UNIVERSAL WOOD PRODUCTS, LLC., CENTURY LUMBER AND LAND, LLC., MILTON TIMBER, LLC., JAMES LEONARD CRAFT, and GLENN LAVON GILLMAN** as respondents. Cease and Desist Order 2010-0053 is hereby amended (CD-2010-0053A) to add one additional respondent **DOUGLAS MICHAEL DANFORD**.

**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.

6. **DOUGLAS MICHAEL DANFORD (“DANFORD”)**, during all times relevant to the issuance of this order acted in the capacity of an agent of **CENTURY**. **DANFORD’S** residential address is 326 County Road 1228, Vinemont, Alabama, 35179.

#### **STATEMENT OF FACTS**

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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**.

13. 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.

14. 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**.

15. 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.

16. 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.

17. 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.

18. Subsequent to the issuance of the original Administrative Order dated October 25, 2010 the Commission has identified an additional Alabama investor who has stated he was solicited by **DANFORD**. This individual has provided the Commission with information indicating an investment of \$130,000.00 in **CENTURY** on December 2, 2008. Further evidence representing the Alabama resident's declaration is a promissory note and a memorandum of understanding issued on behalf of **CENTURY**.

19. During an interview conducted December 1, 2010 by Commission staff **DANFORD** admitted that he solicited and sold investment opportunities in **CENTURY** to an Alabama investor and an additional investment to an out of state investor. **DANFORD** acknowledged he received brokerage fees and/or commissions as a result of the investments.

20. On January 5, 2011 a review of the Commission's registration files revealed no record of registration for **DANFORD** as a Dealer or Agent for securities in the state of Alabama.

### **CONCLUSIONS OF LAW**

21. 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, December 29, 2008 in the amount of \$40,000.00 and November 24, 2008 in the amount of \$130,000.00 to the Alabama residents are securities as described in the Act.

22. 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. **DANFORD**

represented **CENTURY** as evidenced through his solicitations. The **RESPONDENTS** are dealers and agents under in the Act.

23. 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. Furthermore, **DANFORD** acting as a Dealer or Agent of **CENTURY** in effecting the offer of securities in the form of promissory notes, also engaged in violation of the Act.

24. 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 10<sup>th</sup> day of February, 2011.



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

  
J. Randall McNeill  
Deputy Director