

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
CITY CAPITAL CORPORATION)
EPHREN W. TAYLOR JR)
KINETRA DIXON)
CITY PETROLEUM, LLC)
CITY LAUNDRY SERVICES, LLC)
)
RESPONDENTS)
)
ADMINISTRATIVE ORDER
NO. CD-2010-0064

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:

RESPONDENTS

1. **CITY CAPITAL CORPORATION ("CTCC")** is a Nevada Corporation having a last known commercial address of 7780 Briar Creek Parkway, Suite 225, Raleigh, North Carolina 27617.

2. **EPHREN W. TAYLOR, JR. ("TAYLOR")**, at all times relevant, acted as Co-Chief Executive Officer of CTCC, with a last known business address of 7780 Briar Creek Parkway, Suite 225, Raleigh, North Carolina 27617.

3. **KINETRA DIXON ("DIXON")**, at all times relevant, acted as the Client Support Manager of CTCC, with a last known business address of 7780 Briar Creek Parkway, Suite 225, Raleigh, North Carolina 27617

4. **CITY PETROLEUM, LLC (“CTP”)**, is a Missouri limited liability company with a last known business address of 2000 Mallory Lane, Suite 301, Franklin, Tennessee 37067.

5. **CITY LAUNDRY SERVICES, LLC (“CLS”)**, is a Missouri limited liability company with a last known business address of 2000 Mallory Lane, Suite 301, Franklin, Tennessee 37067.

STATEMENT OF FACTS

6. On or about January 2009, an Alabama resident attended a Wealth Summit Live seminar in Orlando, Florida, with TAYLOR as one of the guest speakers. Seeking an investment opportunity, the Alabama investor subsequently contacted CTCC and DIXON in February 2009, concerning CTCC’s “*social conscious investments*”.

7. In response to the Alabama investor’s inquiry, DIXON mailed offering documents of Two (2) joint venture opportunities in CTP and CLS to the Alabama investor.

8. The offering memorandums provided to the Alabama investor describe the acquisition of commercial, retail, or petroleum distribution businesses by CTCC which offers opportunities to clients to participate as a “joint venture partner”. The terms outlined that; “*each JV partner can purchase a participating unit in the property at \$50,000.00 per unit*”. The notes had an annual return on investment (ROI) of 20.00% (net after fees) and an annual cash return of \$10,000.00 per unit.

9. On March 18, 2009, RESPONDENTS issued Two (2) promissory notes to the Alabama investor. Promissory note CTP, authorized and signed by TAYLOR on behalf of CTP, was a Twelve (12) month note for One (1) unit, with a principal amount of \$50,000.00. Promissory note CLS, authorized and signed by TAYLOR on behalf of CLS, was a Twelve (12) month note for One-Half (1/2) unit, with a principal amount of \$25,000.00.

10. Documents obtained by the Commission revealed that on March 18, 2009, the Alabama investor authorized an IRA custodian to wire transfer \$50,000.00 to a trust account of TD Bank for CTP and a second wire transfer in the amount of \$25,000.00 to Missouri Bank & Trust for CLS.

11. As of April 2010, **RESPONDENTS** defaulted on the promissory note entitled CTP and also on promissory note entitled CLS, issued to the Alabama investor on March 18, 2009, causing an investment loss of \$75,000.00.

12. An interview of the Alabama investor revealed the investor had no managerial participation in the alleged joint venture and that the investor's only contribution was the infusion of capital in to the projects.

13. A review of the files of the Commission conducted on December 3, 2010, disclosed that **RESPONDENTS** were neither registered nor exempt from registration to offer and sell securities in Alabama.

14. A review of the Commission's files, performed on December 3, 2010, disclosed no record of registration or any perfected exemption from registration for the securities, to wit: Promissory Notes representing units of interest in the City Petroleum, LLC Joint Venture, and the City Laundry Services, LLC, Joint Venture, offered to Alabama residents.

CONCLUSIONS OF LAW

15. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes any note or other evidence of indebtedness. The Promissory Notes offered and/or sold by **RESPONDENTS** are notes representing evidence of indebtedness and are securities under the Alabama Securities Act.

16. 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. **TAYLOR** and **DIXON** acted as agents for **CTP** and **CLS** and

transacted business in Alabama without benefit of registration in violation of Section 8-6-3(a) of the Act.

17. The definition of agent under Section 8-6-2(2), Code of Alabama 1975, includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **TAYLOR** and **DIXON** acted as agents of **CTCC** and transacted business in Alabama without benefit of registration in violation of Section 8-6-3(a) of the Act.

18. Pursuant to Section 8-6-3(a), it is unlawful for any dealer or issuer to employ an agent unless the agent is registered. **TAYLOR** employed **DIXON** as the agent, who was not properly registered in violation of the Act.

19. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security in this state unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10, or the transaction is exempt under Section 8-6-11. The securities offered to the Alabama residents, to wit: Promissory Notes in **CTP** and **CLS** were neither registered nor exempt from registration in violation of the Act.

This Order does not prevent the Alabama Securities Commission from seeking such other administrative, 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, 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), restitution or disgorgement as appropriate, 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 the **RESPONDENTS** 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 21ST day of DECEMBER, 2010.



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

BY:

Joseph P. Borg
Director