

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

P-R-E, LLC d/b/a)	ADMINISTRATIVE ORDER
PHOENIX RENEWABLE ENERGY, LLC)	NO. CD – 2012- 0033
STEPHEN R. WALKER)	
SAM ANDERSON)	
)	
<u>RESPONDENTS</u>)	

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. PHOENIX RENEWABLE ENERGY, LLC ("P-R-E") is an Arkansas Limited Liability Company with a business address of 1801 Central Ave., Suite H, Hot Springs, Arkansas 71901. P-R-E states that it was established in response to the demand for alternative energy sources to produce wood pellets and biomass fired power generation facilities. P-R-E is currently not registered with the state of Alabama in any capacity.

2. STEPHEN R. WALKER ("WALKER") is listed as a board member, director of development and chief operating officer for P-R-E. WALKER has a home address of 324 Oak Shores, Hot Springs National Park, Arkansas, 71913-5057. WALKER is currently not registered with the State of Alabama in any capacity.

3. SAM ANDERSON ("ANDERSON") is listed as a board member, the founding member and chief executive officer for P-R-E. ANDERSON has a home

address of 1704 Marion Anderson Rd., Hot Springs, Arkansas, 71913-8976. ANDERSON is not registered with the state of Alabama in any capacity.

STATEMENT OF FACTS

4. In April, 2010, an Alabama resident was introduced to WALKER by a mutual friend to possibly assist P-R-E in funding the opening of a wood pellet plant in Alabama. WALKER represented to the investor that P-R-E has the ability to produce wood pellets to be used for alternative energy sources. WALKER also represented that P-R-E was developing several biomass fired power generation facilities.

5. Upon hearing the representations by WALKER in April, 2010, the Alabama investor issued a check in the amount of \$2500.00 from the investor's personal checking account to P-R-E. For this investment, WALKER represented to the investor that the investor would receive a return of \$12,500.00 in a few weeks.

6. On May 23, 2010, WALKER issued the Alabama investor a check from the Bank of America business checking account of P-R-E in the amount of \$10,000.00. Upon depositing this check into the investor's bank account it was determined that the check was issued on an insufficient bank account.

7. On April 16, 2010, another Alabama investor was issued a Promissory Note by ANDERSON which represented that for the investment of \$50,000.00, P-R-E will repay the original investment along with interest at the rate of 6% per annum on any unpaid balance.

8. On April 19, 2010, the Alabama investor issued a check from his personal checking account in the amount of \$50,000.00 to P-R-E. This check was deposited into the Bank of America account of P-R-E.

9. On December 2, 2010, a review of the registration files maintained by the

Commission revealed that neither P-R-E, WALKER nor ANDERSON is registered as a Securities Dealer, Agent, Investment Advisor or Investment Advisor Representative for securities in the state of Alabama.

10. On December 2, 2010, a review of the registration files of the Alabama Securities Commission indicated no registration of the securities in question, to wit: the Promissory Notes issued by P-R-E, WALKER and ANDERSON, to the Alabama investor.

CONCLUSIONS OF LAW

11. Section 8-6-2(10) Code of Alabama 1975, the definition of a "security" includes any note or evidence of indebtedness. The Promissory Notes issued by the Respondents are notes representing evidence of indebtedness and are securities under the Act.

12. Section 8-6-2(2) Code of Alabama 1975, the definition of "Agent" includes any individual who represents a dealer or issuer in effecting or attempting to effect sales of securities. WALKER and ANDERSON acted as agents of P-R-E when effecting the sale of securities to wit: the Promissory Notes issued by P-R-E.

13. Section 8-6-3(a) Code of Alabama 1975, it is unlawful for any person to transact business in the state as a dealer or agent for securities unless he is registered under the Act. Each acting as an Agent of P-R-E, WALKER and ANDERSON solicited and sold Promissory Notes, issued by P-R-E, to Alabama residents without benefit of registration.

14. Section 8-6-4, Code of Alabama, 1975, it is unlawful for any person to offer or sell any security in this state unless said security: (1) is registered under the Act; (2) the security is exempt from registration under section 8-6-10; or (3) the transaction is exempt under section 8-6-11. The securities offered by P-R-E, WALKER and ANDERSON; to wit: the Promissory Notes, are neither registered nor subject to

exemption from registration in Alabama in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and is 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 are 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, Alabama, this 16th day of October, 2012.



ALABAMA SECURITIES COMMISSION
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(334) 242-2984

BY:


JOSEPH P. BORG

Director