

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
EQUITY FINANCIAL SERVICES) ADMINISTRATIVE ORDER
WILLIAM H. MCNEAL) NO. CD-2014-0013
)
)
)
RESPONDENTS)

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:

RESPONDENT

1. **EQUITY FINANCIAL SERVICES ("EFS")** is an Alabama company with a principal business address of 7237 Troy Highway, Pike Road, Alabama 36064.
2. **WILLIAM H. MCNEAL ("MCNEAL")** is the President of **EFS** with a principal business address of 7237 Troy Highway, Pike Road, Alabama 36064.

STATEMENT OF FACTS

3. On February 20, 2014, the Commission received information that **MCNEAL** and **EFS** were soliciting investors through the internet to invest in various bank instruments. **MCNEAL** advertised his contact e-mail address as billmcneal2003@yahoo.com.

4. On February 20, 2014, an internet search by Commission staff located numerous advertisements by **MCNEAL** and **EFS**. A webpage identified as <http://detroit.listlux.com> contained an advertisement by **MCNEAL** and **EFS** soliciting investors for investments in Stand By Letters of Credit (SBLC), Bank Guarantees (BG), Mid Term Notes (MTN), LTN Bonds, Trading Platforms and Foreign Bonds. The advertisement stated, “\$50K returns \$1M or \$250K returns \$15M 45 B/D (business days) & 100K returns \$1.5M 21 days!...billmcneal2003@yahoo.com...it's ok to contact this poster with services or other commercial interests.”

5. On March 4, 2014, a review of the Commission's registration files disclosed no record of registration for **EFS** or **MCNEAL** as a broker dealer, broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama. Neither **EFS** nor **MCNEAL** is currently registered nor has either ever been registered with the Commission in any capacity.

6. On June 27, 2014, **MCNEAL** told Commission Staff that he had been advertising investment offerings through the internet for approximately three years. **MCNEAL** stated that he had no experience or specific knowledge in the investments he and **EFS** offered. **MCNEAL** stated that his knowledge of these investments came from searching the internet. **MCNEAL** said that he did not know of any successful transactions involving these investment offerings. **MCNEAL** said he considered himself a broker who refers investors to other brokers. **MCNEAL** said he is supposed to receive a broker's fee for each referral, but he stated he has not yet received any fees.

CONCLUSIONS OF LAW

7. Pursuant to Section 8-6-2(10), Code of Alabama 1975, Alabama's statutory definition of a security includes any note, stock or evidence of indebtedness. The investments in SBLCs, BGs, MTNs, LTN Bonds, Trading Platforms and Foreign Bonds offered by **EFS** and **MCNEAL** are securities under the Act.

8. Pursuant to 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. **MCNEAL** represented **EFS** in effecting a transaction of securities, to wit; the investments in SBLCs, BGs, MTNs, LTN Bonds, Trading Platforms and Foreign Bonds, in Alabama and is an "Agent" as defined by the Act.

9. 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. **MCNEAL** offered securities in the state of Alabama while not being registered with the Commission in violation of the Act.

10. 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 **MCNEAL** and **EFS**, to wit; SBLCs, BGs, MTNs, LTN Bonds, Trading Platforms and Foreign Bonds, were neither registered nor exempt from registration in Alabama in violation of the Act.

11. Pursuant to Section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. **MCNEAL** omitted to tell investors that he has no investment experience in any of the investments he offered. **MCNEAL** omitted to tell investors that he never participated in a single successful transaction involving any of the investments he offered. **MCNEAL** omitted to tell investors that neither he nor LFG were registered to offer and sell securities in the state of Alabama. **MCNEAL'S** omissions are a 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 **RESPONDENT** 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 10th day of July, 2014.



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



Joseph P. Borg
Director