

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

**BAMAJAM FARMS, LLC
RONALD E GILLEY
RYAN B HOWELL**

RESPONDENTS

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. **BAMAJAM FARMS, LLC** ("BAMAJAM") is an Alabama based Limited Liability Company with a business address of 951 County Road 156, Enterprise, AL 36330.
2. **RONALD E. GILLEY** ("GILLEY") was an Alabama resident, who currently resides in the Atlanta Federal Prison located at 601 McDonough Blvd. SE, Atlanta, GA 30315.
3. **RYAN B. HOWELL** ("HOWELL") is an Alabama resident with a home address of 101 Stetson Place, Enterprise, AL 36330. An online search of the Alabama Secretary of State Division of Corporations website revealed that BAMAJAM was incorporated on March 23, 2012, with HOWELL acting as the manager.

STATEMENT OF FACTS

4. The Commission received information indicating that, in June 2012, GILLEY invited an Alabama resident to a tour of the BAMAJAM Festival grounds. GILLEY explained that BAMAJAM was an entertainment and recreational type venue, Gilley talked about the facilities various attractions and other plans for the future.

5. During this tour, GILLEY asked the Alabama resident about investing in BAMAJAM. Gilley told the Alabama resident that he needed funds for "immediate expenses". GILLEY represented that for the investment of \$50,000.00 the investor would receive \$60,000.00 within 14 days.

6. On June 15, 2012, the Alabama resident wired \$50,000.00 to GILLEY's account at Trinity Bank. In turn, the Alabama resident received a promissory note stating that the investor would receive a return of \$60,000.00. On June 22, 2012, the Alabama resident received a repayment of \$60,000.00 from GILLEY.

7. On June 25, 2012, GILLEY again approached the Alabama resident about investing in BAMAJAM. The stated purpose of this investment was to provide an income stream to assist in paying operating expenses for BAMAJAM. On June 26, 2012, the Alabama resident wired \$300,000.00 to the Trinity Bank account of BAMAJAM.

8. GILLEY issued the Alabama resident a Revenue Stream & Security Agreement which stated that GILLEY would pay a sum of 2.5% of Gross Revenues generated by John Anderson's Hillbilly Swingin' Swimmin' Hole and Backwoods ATV Park.

9. On June 29, 2012, at the request of GILLEY, the Alabama resident issued a personal check in the amount of \$30,000.00 to Construction & Development Logistical Services, LLC, which was another corporation attributed to GILLEY and HOWELL. GILLEY represented that the funds would be used for immediate expenses attributed to everyday operations of BAMAJAM.

10. On July 12, 2012, GILLEY again approached the Alabama resident and

represented that BAMAJAM was in need of another \$300,000.00. GILLEY told the Alabama resident that these funds would be used to pay musical commitments / expenses incurred by BAMAJAM. GILLEY represented that these music commitments were supposed to be funded by online ticket sales for Bama Bogg. GILLEY claimed that the funds were held up in escrow, and would not be released until after the event

11. On July 12, 2012, the Alabama resident wired \$300,000.00 from an investment account to the Trinity Bank account of BAMAJAM. For the investment GILLEY provided the Alabama resident with a Loan Agreement and Promissory Note, which stated; "Interest will be determined by the greater of the two following calculations: Forty Thousand Dollars (\$40,000) OR twenty-five percent of gross profits generated by Bama Bogg 2012, whichever is greater". This note was issued by HOWELL, and had a maturity date of July 18, 2012.

12. At all times relevant to the events listed in this Order, HOWELL was present while GILLEY made each representation and solicitation for investment(s). In addition, HOWELL signed each Promissory Note, Revenue Stream & Security Agreement or Loan Agreement.

13. A review of the Commission files disclosed that Respondents were not registered with the Commission, in any capacity, nor were they exempted from registration.

14. A review of the Commission's registration files disclosed no current record of registration, nor any exemption from registration for the Promissory Notes, Revenue Stream & Security Agreements or Loan Agreement & Promissory Note issued by GILLEY.

CONCLUSIONS OF LAW

15. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the ACT defines any note and 'evidence of indebtedness' as a security. The promissory note solicited by GILLEY and issued by HOWELL and BAMAJAM is a note or evidence of indebtedness and is a security as defined in the Act.

16. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of security includes any "investment contract." RESPONDENT GILLEY and HOWELL solicited an investment of money in BAMAJAM while promising an investment return based on the greater of a fixed return or a percentage of the profits to be derived from RESPONDENTS' efforts. The solicited investment is an "investment contract" and is a security under the ACT.

17. Pursuant to 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. By soliciting and effecting sales of the promissory note and investment contract of BAMAJAM, GILLEY and HOWELL are securities "Agents" as defined in the Act.

18. Pursuant to 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 they are registered under the ACT. By soliciting and effecting sales of the promissory note and investment contract in Alabama, GILLEY and HOWELL acted as agents of BAMAJAM while not being registered with the Commission in violation of the Act.

19. Pursuant to 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 RESPONDENTS; to wit: the promissory note and investment contract, were neither registered nor subject to a perfected exemption from registration in Alabama and were offered and sold 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 11th day of March, 2015.



ALABAMA SECURITIES COMMISSION
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BY:

Joseph P. Borg
Director