

**THE STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

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, having confirmed information of the offer for sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. HURT COLEMAN (COLEMAN), at all-times relevant, was an Alabama resident, with a residential address of 2550 Mountain CV, Hoover, AL 35226.

STATEMENT OF FACTS

2. In August 2019, an Alabama resident, met Hurt Coleman (COLEMAN) through an online social website. COLEMAN solicited a \$15,000 investment from the Alabama resident. COLEMAN told the Alabama resident that he was a businessman and owned ten Spirit Halloween Super Stores (SPIRIT HALLOWEEN). COLEMAN stated that he was currently "in over his head" and needed an investment to help him open two additional stores.

3. COLEMAN told the Alabama resident that investors would receive a \$10,000 to \$13,000 return on their investment. COLEMAN stated, he was \$36,000 short of needed funds to complete the opening of a new location. COLEMAN stated that he would give the Alabama resident a promissory note if the Alabama resident invested

\$15,000 in cash. COLEMAN stated that he would repay the Alabama resident's \$15,000 investment in addition to an investment return of \$10,000, for a total payment of \$25,000 on or before November 22, 2019.

4. Upon hearing COLEMAN's investment offer, the Alabama resident agreed to invest. COLEMAN and the Alabama resident signed a Promissory Note at a BBVA Compass Bank branch located in Shelby County, Alabama. The Promissory Note titled "Alabama Promissory Note" (Unsecured) was dated August 26, 2019, was notarized and signed by the bank official as a witness. The terms of the Promissory Note stated: "The full balance on this Note, including any accrued interest and late fees, is due and payable on the 22nd day of November 2019."

5. After signing the notarized Promissory Note and receiving the \$15,000 cash investment, COLEMAN stopped communicating with the Alabama resident. Subsequently, the Alabama resident located and confronted COLEMAN. During this meeting, the Alabama resident demanded a refund of the Alabama resident's \$15,000 investment. In October 2019, the Alabama resident filed a complaint with the Commission.

6. On behalf of the Alabama resident, the Commission attempted to contact COLEMAN, through calls and text but never received a response. Subsequently, on November 20, 2019, COLEMAN dropped off a sealed envelope at the front desk of a Birmingham hotel. The sealed envelope was marked with the Alabama resident's name. Earlier, through text, the Alabama resident was contacted by COLEMAN and instructed to stop at the hotel desk and ask for the envelope COLEMAN left. On arrival the Alabama resident spoke with the hotel desk clerk and was given the sealed envelope COLEMAN delivered. Upon opening, the Alabama resident found \$7,500 in cash inside.

7. In March 2020, the Commission contacted the corporate office of SPIRIT HALLOWEEN and spoke with a legal representative identified as the Senior Vice President & General Counsel of the parent company. The legal representative informed the Commission that COLEMAN was employed with SPIRIT HALLOWEEN as an assistant store manager from July 5, 2019, through August 30, 2019. The legal

representative with SPIRIT HALLOWEEN informed the Commission that COLEMAN's duties did not include the solicitation of investments from anyone on behalf of SPIRIT HALLOWEEN. Additionally, SPIRIT HALLOWEEN stated that they were not aware that COLEMAN solicited any investments or that COLEMAN had received a \$15,000 investment from the Alabama resident.

8. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 20, 2020, which revealed no record of registration nor any perfected exemption from registration for the securities offered or caused to be offered by COLEMAN.

A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 20, 2020, which revealed no record of registration for COLEMAN as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative, in the state of Alabama.

CONCLUSIONS OF LAW

9. Pursuant to Section 8-6-2(10) Code of Alabama 1975, the definition of security includes any note or other evidence of indebtedness. The promissory note offered and issued to the Alabama resident by Respondent is a security as defined in the Act.

10. Pursuant to Section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful to make any untrue statement of material fact. Respondent fraudulently represented that he owned 10 Spirit Halloween Super Stores and that the money solicited from the Alabama Resident was to be used to open additional location of Spirit Halloween Super Stores 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 **RESPONDENT** to make a timely request for hearing, or default of the **RESPONDENT**, it is the intention of the Commission to impose sanctions upon the **RESPONDENT**. Such sanctions may include, *inter alia*, an administrative assessment imposed on **RESPONDENT**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENT**, and a permanent order to bar **RESPONDENT** 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 26th day of March, 2020.



ALABAMA SECURITIES COMMISSION
445 Dexter Ave, Suite 12000
Montgomery, AL 36130-4700
(334) 242-2984
BY: 
EDWIN L. REED
Deputy Director
Administration

THE STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
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HURT COLEMAN) ADMINISTRATIVE ORDER
) NO. CD-2019-00 05
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RESPONDENT)

HURT COLEMAN
2550 MOUNTAIN CV
HOOVER, AL 35226

NOTICE OF RIGHT TO A HEARING

**THE CEASE AND DESIST ORDER TO WHICH THIS NOTICE IS ATTACHED,
MADE A PART THEREOF AND INCORPORATED THEREIN, IS IMPORTANT AND
YOU SHOULD READ IT IN ITS ENTIRETY.** You may request a public hearing before
the Alabama Securities Commission concerning this Order by making a written request
directed to the Commission pursuant to Section 8-6-32, Code of Alabama 1975. Please
direct your request to the Commission as follows:

ATTENTION: Legal Division
Alabama Securities Commission
445 Dexter Avenue, SUITE 12000
Montgomery, Alabama 36104

**IF A WRITTEN REQUEST FOR A HEARING BEFORE THE ALABAMA
SECURITIES COMMISSION IS NOT SUBMITTED WITHIN 28 DAYS AFTER RECEIPT
OF THIS ORDER, THIS ORDER SHALL CONSTITUTE A FINAL ORDER OF THE
COMMISSION.**

In lieu of a formal hearing, you may request an informal meeting with the Director or the Commission staff to resolve the matter. You will not waive your rights to a formal hearing. The Commission staff requests that you submit a verified statement, setting forth full details concerning your activities giving rise to this Order, no matter whether you are requesting a formal hearing, an informal meeting, or just desire to provide your side of the matter.

Please identify yourself as a Respondent and refer to the Order number when requesting a hearing, informal meeting, or otherwise corresponding with the Commission staff concerning this matter.

Appeals from any final Order of the Commission shall be made to the Circuit Court of Montgomery County, Alabama.

Date this 26th day of March, 2020.

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BY:



EDWIN L. REED
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Administration

