

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
CAREY STINSON SALTER	)	ADMINISTRATIVE ORDER
	)	NO. OB-2012-0035
<u>RESPONDENT</u>	)	

ORDER OF BAR

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, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENT

1. CAREY STINSON SALTER ("SALTER"), a resident of Evergreen, Alabama, formed and operated CSS Investments ("CSSI"), which she represented to be an investment company with a physical address of 106 Martin Street, Evergreen, Alabama 36401, and a mailing address of P.O. Box 625, Evergreen, Alabama 36401.

STATEMENT OF FACTS

2. The Commission is in receipt of information that, in 2007, SALTER solicited an Alabama resident to invest in CSSI. SALTER represented to the Alabama resident that the investment would pay an annual rate of interest in the amount of 20 percent of the investment. No specific details were given about the nature of the investment.

3. On April 2, 2007, based on the information provided by SALTER, the Alabama resident invested \$5,000.00 via check in SALTER and her company CSSI. In

exchange for the investment, SALTER issued the investor a promissory note, on CSSI letterhead, guaranteeing payment of principal and interest on April 2, 2008. Records obtained during the course of the investigation reveal that the investment check was endorsed by SALTER and deposited into an account controlled by SALTER.

4. On April 2, 2008, when the promissory note matured, SALTER issued the investor a replacement note, which capitalized the interest on the investment and extended the investment period another year.

5. In April, 2009, when the current promissory note matured, SALTER issued another replacement note, which capitalized the interest and extended the investment period for another year. The investigation revealed that through April, 2012, SALTER continued to replace the matured promissory notes with new promissory notes.

6. On April 20, 2012, the Alabama resident was solicited by SALTER to invest an additional \$5,000.00 in CSSI. In exchange for the investment, SALTER issued a new promissory note, which combined the amount due on the current promissory note with the capitalized amount due on the outstanding promissory note. Records obtained during the course of the investigation reveal that the investment check was endorsed by SALTER and deposited into an account controlled by SALTER.

#### CONCLUSIONS OF LAW

7. Pursuant to section 8-6-2(10), Code of Alabama 1975, the definition of a security includes any note, investment contract, and evidence of indebtedness. The promissory notes offered and sold by SALTER are securities under the Act.

8. 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: 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 and sold by SALTER, through CSSI, to wit:

promissory notes or investment contracts titled "CSS INVESTMENTS," were neither registered nor exempt from registration in violation of the Act.

9. 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. SALTER acted as an agent of CSSI by soliciting and effecting sales of securities, to wit: promissory notes or investment contracts in CSSI.

10. Pursuant to section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as an agent or dealer for securities unless such person is registered under the Act. SALTER offered and sold securities to an Alabama resident, without benefit of registration, in violation of the Act.

11. Pursuant to the provisions of section 8-6-3(j), Code of Alabama 1975, the Alabama Securities Commission may suspend, revoke, deny, censor or bar any applicant or registrant or any officer, director, partner, or person occupying a similar status or performing similar functions if the Commission finds that the Order is in the public interest and the applicant or registrant has willfully violated or willfully failed to comply with any provisions of this article, or a predecessor act, or any rule or order under this article or a predecessor act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED:** that CAREY STINSON SALTER be **BARRED** from registration or engaging in securities activities into, within or from the state of Alabama.

Entered at Montgomery, Alabama this 17<sup>th</sup> day of January, 2014.



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

BY:

A handwritten signature in blue ink, appearing to read "JP Borg", is written over a horizontal line. Below the signature, the name "JOSEPH P. BORG" and the title "Director" are printed in black.

JOSEPH P. BORG  
Director