

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
) ADMINISTRATIVE ORDER
THE CHEETAH FUND L.P.) NO. CD-2025-0015
C.M. ALLEN CAPITAL MANAGEMENT, INC.)
CRAIG M. ALLEN)
)
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, has determined as follows:

RESPONDENTS

1. **THE CHEETAH FUND L.P. (“CHEETAH FUND”)** is a limited partnership organized in Georgia in 1998 with its principal place of business in Atlanta, Georgia. **CHEETAH FUND**’s General Partner is **C.M. ALLEN CAPITAL MANAGEMENT, INC.**
2. **C.M. ALLEN CAPITAL MANAGEMENT, INC. (“ALLEN CAPITAL”)** is a corporation organized in Georgia in 1998 with its principal place of business in Atlanta, Georgia.
3. **CRAIG M. ALLEN (“ALLEN”)** is a resident of Atlanta, Georgia and the owner and President of **ALLEN CAPITAL**.

STATEMENT OF FACTS

4. The Commission received notification from the State of Connecticut regarding an open investigation involving **CHEETAH FUND** and **ALLEN** that had identified Alabama residents who were potential victims of fraud.

5. The Commission opened an investigation and discovered that six Alabama residents invested approximately \$793,500 into **CHEETAH FUND** from August 2020 to May 2022.

6. Alabama investors advised they originally learned of **CHEETAH FUND** on a conference call with **ALLEN** that was set up through a mutual acquaintance. The Alabama investors stated **ALLEN** claimed **CHEEHTAH FUND** “enjoyed fantastic returns” and described **CHEETAH FUND** as an exclusive/private investment fund for the wealthy and elite of Atlanta. **ALLEN** also claimed he had his own personal money, along with family money, invested in **CHEETAH FUND**. The investors advised **ALLEN**’s claims helped convince them to invest into **CHEETAH FUND**.

7. **CHEETAH FUND** was a private investment fund offering limited partnership interests. Investors purchased subscriber interests in **CHEETAH FUND** with a minimum investment of \$200,000, unless **CHEETAH FUND** waived the minimum and accepted a lower amount.

8. According to investors, **CHEETAH FUND** utilized short-term trading techniques and invested in stocks (primarily based off the news), Amazon options, and other recognizable names. **ALLEN** would cash out investments on Fridays claiming he did not like holding positions over the weekend.

9. Alabama investors were unaware of any issues with their investments until late 2023 when, in response to their attempt to withdraw their funds, they received an email from **ALLEN** stating **CHEETAH FUND** would be “locked up” for 90 days while **ALLEN** was allegedly in a substance abuse facility.

10. The investigation also uncovered communications between **ALLEN** and an out-of-state investor. In these communications, **ALLEN** admitted **CHEETAH FUND** was insolvent. **ALLEN** also claimed he attempted to recover the losses but lost more money in the process.

11. A review of **ALLEN**'s bank accounts revealed that he deposited at least \$250,000 of an investor's funds into his personal checking account. **ALLEN** then used the funds to pay personal expenses such as food, household bills, insurance, lease payments, and to make transfers to other bank accounts **ALLEN** controlled.

12. A review of the files of the Registration Division of the Alabama Securities Commission conducted on May 16, 2023 disclosed no record of registration for **CHEETAH FUND, ALLEN** and/or **ALLEN CAPITAL** as a broker dealer agent, investment adviser, or investment adviser representative in the State of Alabama.

CONCLUSIONS OF LAW

13. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes, in part, "an investment contract." The **CHEETAH FUND** limited partnership interests offered and sold by **CHEETAH FUND, ALLEN CAPITAL**, and **ALLEN** were investment contracts, and therefore securities, as defined by the Act.

14. Pursuant to Section 8-6-3(b)(1), Code of Alabama 1975, it is unlawful for a person to transact business in the state as an investment adviser unless such person is registered under the Act. **ALLEN** acted as an investment adviser while not registered with the Commission, in violation of the Act.

15. 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 or exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. **CHEETAH FUND, ALLEN**

CAPITAL, and **ALLEN** offered and sold a security in Alabama that was not registered or exempt from registration, in violation of the Act.

16. Pursuant to Section 8-6-17(a), Code of Alabama 1975, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud; to make any untrue statement of a 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; or to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

CHEETAH FUND, **ALLEN CAPITAL**, and **ALLEN** made untrue statements to Alabama citizens on the performance and solvency of **CHEETAH FUND**, 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 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(S)** to make a timely request for hearing, or default of the **RESPONDENT(S)**, it is the intention of the Commission to impose sanctions upon the **RESPONDENT(S)**. Such sanctions may include, *inter alia*, an administrative assessment imposed on **RESPONDENT(S)**, an additional administrative assessment for investigative costs arising from the investigation of the violations described herein against **RESPONDENT(S)**, and a permanent order to bar **RESPONDENT(S)** from participation in any securities-related industry in the State of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 14 th day of May, 2025.

ALABAMA SECURITIES COMMISSION
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BY:


AMANDA L. SENN
Director

