

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
JIM WOLTER)
)
)
)
 RESPONDENT)

ADMINISTRATIVE ORDER
NO. CO-2004-0004

CONSENT 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:

RESPONDENT

1. JIM WOLTER ("WOLTER"), previously served as the Service Advisor of National Community Foundation ("National") with a business address of 101 Westpark Drive, Suite 160 Brentwood, Tennessee, 37027. WOLTER currently serves as President of Legacy Tree Foundation, a public non-profit organization with a business address at 1600 Westgate Circle, Suite 200, Brentwood, TN 37027.

STATEMENT OF FACTS

2. On August 6, 2003, an audit was conducted of the S. Howard Smith Agency ("SHSA"), an affiliate agency of Great American Advisors, Inc. ("GAA"), an Alabama registered broker dealer. SHSA was located at 380 Mendel Parkway, Montgomery, AL 36117. The audit revealed that Howard Smith ("Smith"), a registered broker-dealer agent of GAA, sold charitable gift annuities totaling \$720,000 to four Alabama residents during the period from March 2002 until September 2002. A check of the files of the Registration Division of the Alabama Securities Commission revealed that none of the charitable gift annuities sold were registered nor were any filings made to perfect an exemption from registration.

3. After the audit described in paragraph two was concluded, National was advised of the audit. On December 18, 2003, National filed a notice of exemption with the Alabama Securities Commission for the sale of charitable gift annuities pursuant to § 8-6-10(8), Code of Alabama 1975, the “not for profit” securities exemption. A deficiency letter was issued by the Commission staff enumerating certain deficiencies in the notification and disallowing the exemption until such time as the deficiencies had been resolved. Evidence was provided to the Commission staff that on August 16, 2000, prior to the commencement of the offering, National mailed a notice of exemption for the charitable gift annuities to an incorrect address. The Commission staff did not receive the notice and National made no attempt to confirm the filing.

4. On January 26, 2004, the Commission staff issued Cease and Desist Order No. CD-2004-0004, directing Amerifirst Foundation, Inc., National, Ralph Larsen, Lonnie Hawkins, Allen Goodmensen, Tom McGlaughlin, Barbara Mincey, Howard Smith, Mike Sheppard and WOLTER to immediately cease and desist from further offers or sales of any security into, within, or from the State of Alabama. Notice of the Cease and Desist Order was sent via registered mail to WOLTER at the business address of NATIONAL. Certified mail return receipt confirms that the document was received at that address. WOLTER disputes his receipt of said notice. Commission records do not reflect indication that WOLTER was notified of the Order, beyond constructive receipt by NATIONAL, and WOLTER did not participate in subsequent actions to resolve the Order.

5. On March 30, 2004, an informal hearing/meeting was conducted via telephone with Mark Absher, General Counsel for New Life Corporation of America, the parent company of National Community Foundation. Mr. Absher represented National and its employees listed in Cease and Desist Order No. CD-2004-0004. WOLTER was not notified of the informal hearing by Respondent’s counsel, and did not participate in said hearing. At the conclusion of the hearing, National agreed to waive any further administrative proceedings available to it and instead to resolve this matter, as to all

respondents, by way of Consent Order 2004-0004, which was issued July 22, 2004, to National. Mr. Sheppard and WOLTER were inadvertently omitted as Respondents in that Order during the discussion and settlement by NATIONAL. WOLTER asserts that he did not learn of Consent Order 2004-0004 until March of 2010.

6. After the hearing, National completed a rescission offer to all Alabama investors in which it explained that the transactions in the charitable gift annuities were made in violation of Alabama law. All Alabama investors declined the rescission offer.

CONCLUSIONS OF LAW

9. Pursuant to § 8-6-2(10), Code of Alabama 1975, any annuity, not issued by an insurance company, is a security. The charitable gift annuities in question sold and issued to Alabama residents are, by definition, securities under the Act.

10. Pursuant to § 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in Alabama unless it is registered under the Alabama Securities Act; the security is exempt under § 8-6-10, or the transaction in which the security is sold is exempt under § 8-6-11. Pursuant to § 8-6-19, a control person may be liable for the sale of unregistered securities “unless he is able to sustain the burden of proof that he did not know, and in exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist.”

WHEREAS, WOLTER acknowledges that National’s inadvertent mailing of its notice of exemption to the incorrect address prior to offering the securities resulted in National effecting securities transactions in the state of Alabama prior to registration, or the perfection of any application exemption, and states that the information and assertions presented to the Commission during its investigation of this matter are true and correct; that **WOLTER** understands the Commission’s reliance upon such information and assertions in its determination to accept this Order, and that should this information or assertions prove to be incorrect or misrepresented, the Commission may seek such other

administrative, civil or criminal remedies that may be available to it under the provisions of the Act.

WHEREAS, RESPONDENT has voluntarily waived all rights to a hearing upon entry of this Order, and have consented to the entry of this Order, and

WHEREAS, the Commission finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, and

WHEREAS, the Commission and **WOLTER** are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

ACCORDINGLY, IT IS HEREBY ORDERED:

1. That **WOLTER** shall not, until such time as the securities are properly registered, or an appropriate exemption from registration has been perfected, offer, sell or caused to be offered or sold, any security into, within or from the State of Alabama.

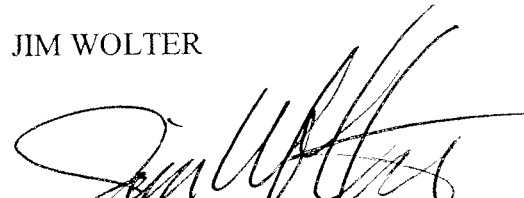
2. That **WOLTER** shall ensure that he is in full compliance with the Act at all times in the future.

3. That the entry of this Order resolves the Cease and Desist Order, Administrative Order No. CD-2004-0004, issued January 26, 2004, as it relates to **WOLTER**.

AGREED AND CONSENTED to on dates indicated:

RESPONDENT:

JIM WOLTER

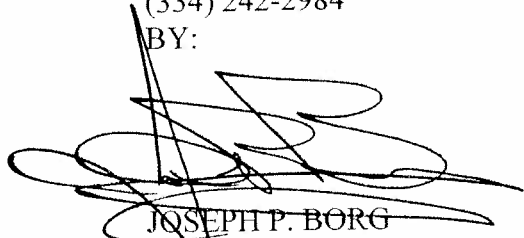


DATE: 11-16-2011

APPROVED AND ORDERED this day of Dec. 9, 2011

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




JOSEPH P. BORG
Director