

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

DANIELS CAPITAL CORPORATION
ALAN SCOTT DANIELS

RESPONDENTS

ADMINISTRATIVE ORDER
NO. CO-2005-0001

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the power 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. DANIELS CAPITAL CORPORATION ("DANIELS CAPITAL"), is represented to be an Alabama Corporation with a business address of 1141 Hibiscus Drive, Hoover, AL 35226.

2. ALAN SCOTT DANIELS ("DANIELS"), is represented to be the president/owner of DANIELS CAPITAL CORPORATION, with a business address of 1141 Hibiscus Drive, Hoover, AL 35226.

STATEMENT OF FACTS

3. DANIELS CAPITAL is a business that provides financial loan services to attorneys in which DANIELS solicited investment loans from investors to finance his business.

4. The Commission is in receipt of information that from January 8, 1999, through approximately October 29, 2004, DANIELS solicited and sold unregistered securities, to wit: investment contracts entitled DANIELS CAPITAL Investment Agreements and Promissory Notes to sixty-one (61) investors totaling \$3,171,145.00. Thirty-nine (39) of these investors were Alabama residents.

5. It was also discovered, that DANIELS assigned interest rates ranging from 12% - 24% per Annum to the different investors.

6. DANIELS CAPITAL investors relied on the expertise and managerial efforts of DANIELS to realize a profit from their investments.

7. A review of the registration files of the Commission, disclosed no record of registration for DANIELS CAPITAL or DANIELS, as a securities agent or broker dealer in the state of Alabama.

8. A review of the registration files of the Commission, disclosed no record of registration, or exemption from registration, of the securities mentioned in paragraph 4 of DANIELS CAPITAL.

9. By letter, dated November 16, 2004, DANIELS' attorney Leatha Gilbert provided the Commission with a listing of DANIELS CAPITAL'S investors, a listing of DANIELS CAPITAL'S customers, and copies of DANIELS CAPITAL'S Investment Agreements and Promissory Notes that were sold by DANIELS to investors. Also, Attorney Gilbert requested an informal meeting for DANIELS with the Commission staff.

10. On January 4, 2005, a Cease and Desist Order CD-2005-0001, was issued alleging that DANIELS acted as a securities agent and/or broker dealer of DANIELS CAPITAL, by collecting funds from investors for the purpose of investing with an expectation of receiving a profit, without benefit of registration in violation of Section 8-6-3(a), Code of Alabama, 1975. Further, the securities mentioned in paragraph 4 offered/sold by DANIELS were also, without benefit of registration in violation of Section 8-6-4(1), Code of Alabama, 1975.

11. On January 11, 2005, DANIELS made a rescission offer to all of DANIELS CAPITAL'S investors. Only one of DANIELS CAPITAL'S investors, Mr. Eric Allen, 239 Chadwick Lane, Helena, AL 35080 accepted DANIELS CAPITAL'S rescission offer in the amount of \$20,000.00. On March 28, 2005, DANIELS CAPITAL returned Mr. Allen DANIELS CAPITAL investment in the amount of \$20,000.00, with a check drawn on DANIELS CAPITAL'S account at AmSouth Bank.

12. By letter, dated January 19, 2005, DANIELS' attorney Brandon L. Blankenship requested an informal hearing for DANIELS with the Commission staff to discuss the Cease and Desist Order CD2005-001.

13. On March 31, 2005, members of the Commission staff met with DANIELS and his attorney in an informal hearing pertaining to the Cease and Desist Order.

CONCLUSIONS OF LAW

14. DANIELS CAPITAL and DANIELS is not registered or exempt from registration as a dealer or agent in the state of Alabama, and have effected securities transactions with residents of the state of Alabama.

15. Transacting business in the state of Alabama as a dealer or agent, without benefit of registration or exemption from registration, is a violation of Section 8-6-3(a), Code of Alabama 1975.

16. DANIELS has met with the Commission's registration staff to discuss the filing of an application for registration for DANIELS CAPITAL and DANIELS with the Commission upon the resolution of this Order.

WHEREAS, DANIELS CAPITAL and DANIELS admit that securities transactions were effected in the state of Alabama prior to registration, and state that the information and assertions presented to the Commission during its investigation of this matter are true and correct; that DANIELS CAPITAL and DANIELS understand the Commission relied upon such information and assertions in its determination to accept this Order, and that should 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, DANIELS CAPITAL and DANIELS have voluntarily met with members of the Commission staff in an informal hearing upon entry of this Order, and have consented to the entry of this Order, and

WHEREAS, DANIELS CAPITAL and DANIELS has perfected the rescission offer as directed by the Commission, and has begun the process of becoming properly registered with the Commission, 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 DANIELS CAPITAL and DANIELS 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 DANIELS CAPITAL and DANIELS shall, until such time as properly registered in the state of Alabama, refrain from effecting securities transactions into, within or from the state of Alabama.

2. That DANIELS shall ensure that proper procedures are enacted to preclude any future non-compliance with the Act.

3. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, DANIELS CAPITAL and DANIELS shall pay to the **State of Alabama** an administrative assessment in the total sum Five Hundred Dollars (\$500), said funds to be tendered in certified funds contemporaneously with the entry of this Order.

4. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, DANIELS CAPITAL and DANIELS shall pay to the **Alabama Securities Commission**, as partial reimbursement for the Commission's cost for investigating this matter, the sum of Five Hundred Dollars (\$500), said funds to be tendered in certified funds contemporaneously with the entry of this Order.

5. That the entry of this Order resolves the Cease and Desist Order, Administrative Order No. CD-2005-0001, issued January 4, 2005 to DANIELS CAPITAL and DANIELS.

AGREED AND CONSENTED to on dates indicated:

RESPONDENTS:

DANIELS CAPITAL CORPORATION

BY: Scott Daniels
TITLE: President
DATE: 5/20/05

ALAN SCOTT DANIELS

BY: Alan Scott Daniels
DATE: 5/20/05

APPROVED AND ORDERED this 30th day of May, 2005

ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
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(334) 242-2984

BY:

Joseph P. Borg
JOSEPH P. BORG
Director

