



registered agent with a business address of 1310 39<sup>th</sup> Avenue East, Tuscaloosa, Alabama, 35404.

4. Between September 14, 2005 and September 28, 2005, **RESPONDENTS** offered and sold Promissory Notes to three Alabama residents in the total amount of \$44,000.

5. **RESPONDENTS** used the funds from the Promissory Notes for investments without disclosing the nature of those investments to the Alabama investors. On January 29, 2007, **CLEVELAND** admitted in a written statement that he contacted the three investors "about a joint venture in an oil deal" but that when he "found out that the oil deal fell through", he invested the funds in a "money-making deal on the internet from South Africa and Nigeria". **CLEVELAND** stated that he continued to send money to the money-making deal on the internet until he "realized that this was all a scam". **CLEVELAND** stated that he is "trying to get money to pay these (investors) back."

6. On December 12, 2007, a review of the Commission's registration files disclosed no record of registration for **RESPONDENTS** as a Dealer, Agent, Investment Advisor, or Investment Advisor Representative.

7. On December 12, 2007, a review of the Commission's registration files disclosed no record of registration or exemption from registration in the state of Alabama for the securities, to wit: the Promissory Notes offered and sold by **RESPONDENTS**.

#### **CONCLUSIONS OF LAW**

8. Section 8-6-2 (10), Code of Alabama 1975 includes any note or evidence of indebtedness in the definition of a security. The Promissory Notes sold by **RESPONDENTS** are securities under this statutory definition.

9. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person

to transact business in this state as a dealer or agent for securities unless he is registered under this article. An agent is defined in Section 8-6-2(2) as any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. **CLEVELAND** transacted business as a dealer or agent for securities in violation of Section 8-6-3(a).

10. Section 8-6-4, Code of Alabama 1975 states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; 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 **COMPASS** were neither registered nor exempt from registration in Alabama in violation of Section 8-6-4, Code.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

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

**ACCORDINGLY, IT IS HEREBY ORDERED that COMPASS TRADING ENTERPRISES, AKA COMPASS TRADING, LLC and H.J. "TINY" CLEVELAND, JR, IMMEDIATELY CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.**

Entered at Montgomery, Alabama, this 8<sup>th</sup> day of January, 2008.

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984  
BY:

  
**J. RANDALL McNEILL**  
**DEPUTY DIRECTOR**

