

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
)	
BUFFALO EXTENSION LLP)	
BUFFALO EXCHANGE LLP)	
RICHARD REYNOLDS, aka; RICK ADKINS)	ADMINISTRATIVE ORDER
CHARLES HAMMETT)	NO. CD-2012-00 ²²
HAROLD CHRISTOPHER POOLE)	
)	
<u>RESPONDENTS</u>)	

CEASE AND DESIST 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:

RESPONDENTS

1. **BUFFALO EXTENSION, LLP, ("BUFFALO EXTENSION")**, is registered with the Montana Secretary of State's office since March, 5, 2010, having a commercial business address and mailing address of 1627 West Main Street, Suite 301, Bozeman, Montana, 59715.

2. **BUFFALO EXCHANGE, LLP, ("BUFFALO EXCHANGE")**, is a Montana partnership registered with the Montana Secretary of State's office on September 2, 2009, having a commercial business address of 1425 West Main Street, Suite E, Bozeman, Montana, 59715 and a mailing address listed as 1627 West Main Street, Suite 301, Bozeman, Montana, 59715.

3. **RICHARD F. REYNOLDS, aka RICK ADKINS ("REYNOLDS")**, CRD# 11028747, at all times relevant, acted as the Chief Executive Officer of BUFFALO, with a business address of 1425 West Main Street, Suite E, Bozeman, MT 59715.

4. **CHARLES “CHUCK” HAMMETT (“HAMMETT”)**, at all times relevant, functioned as an agent for BUFFALO EXTENSION and BUFFALO EXCHANGE, having an address of 2231 Pewter Drive, Knoxville, Tennessee.

5. **HAROLD CHRISTOPHER POOLE (“POOLE”)**, at all times relevant, functioned as an agent for BUFFALO EXTENSION and BUFFALO EXCHANGE, having an address of 486 Forrest Park Circle, Franklin, Tennessee, 37064.

STATEMENT OF FACTS

6. An online search of the Montana Secretary of State’s website disclosed BUFFALO EXTENSION as an active partnership (#P175816) formed on March 5, 2010, by Lori Reynolds as the firm’s President, with REYNOLDS as manager. The formation documents list the primary purpose as a “trading company”, having a business address of 1425 W. Main Street, Suite 301, Bozeman, Montana, 59715.

7. According to the Montana Secretary of State’s office, BUFFALO EXCHANGE is an active partnership (#P170357) formed by REYNOLDS, the general principal, on September 2, 2009, having a commercial address of 1425 West Main Street, Suite E Bozeman, Montana, 59715. The formation documents list a primary purpose of “Investments/Placements/Acquisitions”.

8. In documents obtained by the Commission BUFFALO EXTENSION’s private placement memorandum offered up to 900,000 “units” of the Company’s investor units at a price of \$1.00 per unit.

9. In their private placement documents; BUFFALO EXCHANGE claims to have acquired a trading platform package with a historical performance that will allow them to meet or exceed their goal of 100% ROI (return on investment) for investors each quarter.

10. The Commission is in receipt of information that on or about May 14, 2010, POOLE solicited an investment in BUFFALO EXTENSION from an Alabama resident, whose invested funds were to be managed in the FOREX market by REYNOLDS. As a

result of the solicitation, the Alabama resident issued \$80,000.00 in the form of two wire transfers to BUFFALO EXTENSION.

11. In early 2010, HAMMETT introduced FOREX trading with BUFFALO EXTENSION to another Alabama resident. On or about December 22, 2010, the Alabama resident contacted HAMMETT to follow through with the investment and subsequently sent \$10,000.00 in the form of a wire transfer to BUFFALO EXTENSION.

12. Documents obtained by the Commission revealed agents HAMMETT and POOLE, were paid commissions by BUFFALO EXTENSION for their investor referrals.

13. The Alabama residents received quarterly statements issued by BUFFALO EXCHANGE identifying Rick Adkins as CEO/President of Buffalo Investment Corporation, and General Partner of the BUFFALO EXCHANGE.

14. The BUFFALO EXCHANGE quarterly statements issued to the Alabama residents indicated a gradual increase in the total units purchased and the total value of units within the accounts.

15. Documents made available to the Commission disclosed Rick Adkins as an alias name for Richard F. Reynolds of Bozeman, Montana. REYNOLDS is currently subject to a state of Missouri Final Order to Cease and Desist issued on May 19, 2001.

16. A financial analysis on the BUFFALO EXTENSION bank accounts made available to the Commission disclosed the Alabama investors funds given to BUFFALO EXTENSION were misappropriated for personal use by REYNOLDS or issued to investors as ponzi payments.

17. Respondents POOLE and HAMMETT made no disclosure of the Administrative Order mentioned in paragraph 15 to the Alabama investors during their solicitation of investment with BUFFALO EXTENSION.

18. A review of the Commission files conducted on March 15, 2012, revealed that respondents, BUFFALO EXTENSION and REYNOLDS, were neither registered nor subject to a perfected exemption from registration to offer and sell securities in Alabama.

19. A review of the Commission files conducted on May 4, 2012, revealed respondents BUFFALO EXCHANGE, POOLE and HAMMETT were neither registered nor subject to a perfected exemption from registration to offer and sell securities in Alabama. In addition, there were no records of registration or any perfected exemption from registration for the BUFFALO EXTENSION investor "units", offered and sold to the Alabama residents.

CONCLUSIONS OF LAW

20. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes any "unit". The "Investor Units" offered and/or sold by RESPONDENTS are units representing evidence of investment and are securities under the Alabama Securities Act.

21. The definition of agent under Section 8-6-2(2), Code of Alabama 1975, includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. POOLE and HAMMETT represented BUFFALO effecting transactions in securities in Alabama and are Agents under the Act.

22. 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 the act. POOLE and HAMMETT acted as agents of BUFFALO and effected transactions in securities in Alabama without benefit of registration in violation of the Act.

23. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any dealer or issuer to employ an agent unless the agent is registered. REYNOLDS and BUFFALO employed POOLE and HAMMETT as agents, while said agents were not properly registered with the Commission in violation of the Act.

24. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security in this state unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10, or the transaction is exempt under Section 8-

6-11. The securities issued by BUFFALO EXCHANGE and BUFFALO EXTENSION, offered by REYNOLDS, POOLE and HAMMETT to the Alabama residents, to wit: "investor units" were neither registered nor exempt from registration in violation of the Act.

25. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security in this state unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10, or the transaction is exempt under Section 8-6-11. The securities offered by RESPONDENTS to the Alabama residents, to wit: "Investor units", were neither registered nor exempt from registration in violation of the Act.

26. Pursuant to Section 8-6-17(a)(1), Code of Alabama 1975, it is unlawful for a person to employ any devices, scheme or artifice to defraud, in connection with the offer, sale or purchase of a security. The financial analysis revealed the investors' funds were misappropriated for personal use or as ponzi payments. The ponzi scheme employed by REYNOLDS constituted a scheme to defraud in violation of the Act.

This Order does not prevent the Alabama Securities Commission from seeking such other administrative, 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.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that the **RESPONDENTS** 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 29th day of May, 2012.



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

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized and somewhat cursive.

Joseph P. Borg
Director