

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
)  
GADSDEN LP ) CEASE & DESIST ORDER  
ROAD RUNNER ASSET MANAGEMENT ) NO. CD-2003-0019  
)  
RESPONDENTS )

CEASE AND DESIST 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, upon due consideration of the subject matter hereof, has determined as follows.

RESPONDENTS

1. GADSDEN LP ("GADSDEN LP") was a Limited Partnership formed by Rodney Howard Lankford ("Lankford") and his associate from Texas David Dennis ("Dennis"). GADSDEN LP had a business address of 8310 Capitol of Texas Highway, Suite 490, Austin, Texas 78731. The purpose of the company was to secure investment funds to be placed into a company called "e.Wanted".

2. ROAD RUNNER ASSET MANAGEMENT, LLP ("ROAD RUNNER") is the general partner of GADSDEN LP. ROAD RUNNER had a business address of 8310 Capitol of Texas Highway, Suite 490, Austin, Texas 78731. Dennis was listed as the general partner of ROAD RUNNER.

STATEMENT OF FACTS

3. The Commission received information that Harry Jelks Vance, Jr ("Vance") and Lankford, both registered in the state of Alabama as securities agents of the registered dealer Raymond James Investments, Inc ("Raymond James"), promoted

and sold investments in a Private Placement called GADSDEN LP. Dennis, a Texas based securities agent of the Alabama registered dealer, Gunnallen Financial, Inc ("Gunnallen").

4. The minimum investment sought from investors by Vance, Lankford, and Dennis was \$50,000.00 per investor.

5. Funds raised from the Private Placement offer of GADSDEN LP, which was unregistered in Alabama, were to be invested into a company called "e.Wanted", a reverse auction internet based website. Vance, Lankford, and Dennis further represented that e.Wanted would be the subject of an Initial Public Offering (IPO) by the fourth quarter of year 2000.

6. Representations were made to Alabama investors by Vance, Lankford, and Dennis, in order to solicit investments, that e.Wanted was in negotiations to potentially be acquired by either Ebay.com or YAHOO.com.

7. It was further represented to investors by Vance, Lankford, and Dennis that there was a minimum total investment of \$1 million required for participation in the e.Wanted private placement deal.

8. Investors were led to believe that Raymond James endorsed and sanctioned the sale of the GADSDEN LP Private Placement, when Vance, Lankford, and Dennis were "selling away" from the firm. According to Raymond James, Vance and Lankford failed to notify or receive appropriate authorization to engage in or solicit any outside, investment ventures. Vance, Lankford, and Dennis held investor meetings at the Raymond James Branch Office in Gadsden, Alabama. In addition, Raymond James claims that without their knowledge or approval, Vance, Lankford, and Dennis sent GADSDEN LP investment related correspondence to investors on Raymond James letterhead.

9. Vance and Lankford had previously been approved by Raymond James for only one outside business activity, as partners in CH-4 Development Partners. The CH-4 Development Partners business was described as a company involved in natural gas and methane gas exploration and production. According to Raymond James, Lankford and Dennis had represented that they would not be offering the CH-4 investment to any of their clients, nor raise capital for the CH-4 investment

10. Vance, Lankford and Dennis solicited a total of \$375,000.00 into their GADSDEN LP Private Placement investment from nine Alabama residents.

11. In April 2002, investors were awaiting their K-1 Tax paperwork for the GADSDEN LP investment. Several investors began receiving written notification, in the form of a letter from a Certified Public Accountant from Texas, advising that e.Wanted was bankrupt. Upon contacting Lankford via telephone or in person, they were advised that their Gadsden LP interest were worthless. Investors were also later advised that neither Vance nor Lankford had personally invested in the Gadsden LP Private Placement as previously represented.

12. Review of the files of the Registration Division, Alabama Securities Commission, disclosed no record of registration for GADSDEN LP in the State of Alabama.

13. Review of the files of the Registration Division, Alabama Securities Commission, disclosed no record of registration for ROAD RUNNER LLP in the State of Alabama.

14. GADSDEN LP is not registered as a broker dealer in the state of Alabama. The offer and/or sale of securities within or into the state of Alabama without the benefit of registration is a violation of § 8-6-3(b), Code of Alabama, 1975.

15. The securities being solicited and sold by Vance, Lankford, and Dennis, to wit: interests in GADSDEN LP, were not registered in the state of Alabama. The sale of unregistered securities, into, within, or from the state of Alabama is a violation of section 8-6-4, Code of Alabama 1975.

16. Road Runner LLP is not registered as a broker dealer in the state of Alabama. The offer and/or sale of securities within or into the state of Alabama without benefit of registration is a violation of § 8-6-3(a), Code of Alabama, 1975.

17. GADSDEN LP, through the actions of it's agents Vance, Lankford and Dennis, has violated the provisions of Section 8-6-3(j)(7), Code of Alabama 1975 by engaging in dishonest or unethical practices in the securities business, to wit: by executing transactions which RAYMOND JAMES has represented were unauthorized, selling away to clients unregistered interests in the GADSDEN LP Private Placement investment. As a result of the actions of Vance, Lankford and Dennis, on August 25, 2003 the Commission issued a Show Cause Order, Administrative Order No. SC-2003-0020 to Vance and Lankford, and an Order to Bar, Administrative Order No. OB-2003-0021 to Dennis.

18. Pursuant to the provisions of Section 8-6-3(j)(6), Code of Alabama 1975, the Commission may suspend, revoke, censor or bar any registrant from employment with a securities dealer if the Commission finds that the Order is in the public interest, and that the registrant has violated or failed to comply with any provision of the Alabama Securities Act, or any rule or order issued by the Commission, or has failed to reasonably supervise registrants.

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

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

Entered at Montgomery, AL. this 28<sup>th</sup> day of August, 2003.



ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(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 extends below the line.

JOSEPH P. BORG  
Director