

IN THE MATTER OF

**CHAR-RAN COMPANY, LLC,
RANDOLPH MARTIN, Sr., and
CHAROLETT MARTIN**

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) has received information and has in its possession certain evidence which indicates that Char-Ran Company, LLC, Randolph Martin, Sr., and Charolett Martin have violated provisions of the Arkansas Securities Act (“Act”) codified at Ark. Code Ann., §§ 23-42-101 through 23-42-509.

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of sections of the Act and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-209.

RESPONDENTS

2. Records of the Arkansas Secretary of State indicate that Char-Ran Company, LLC, (“Char-Ran”) was at all times discussed herein a limited liability company located in Little Rock, Arkansas with a principal address of 1816 South Pulaski Street, Little Rock, Arkansas, 72206. Char-Ran’s former principal address was listed as 1819 South Main Street, North Little Rock, Arkansas, 72114.

3. Randolph Martin, Sr. ("R. Martin") was at all times discussed herein a resident of Little Rock, Arkansas. His last known address is 1816 South Pulaski Street, Little Rock, Arkansas, 72206. According to records of the Arkansas Secretary of State, R. Martin is the Incorporator/Organizer of Char-Ran.

4. Charolett Martin ("C. Martin") was at all times discussed herein a resident of Little Rock, Arkansas. Her last known address is 1816 South Pulaski Street, Little Rock, Arkansas, 72206. According to records of the Arkansas Secretary of State, C. Martin is the Manager of Char-Ran.

FACTS SUPPORTING CEASE AND DESIST ORDER

5. R. Martin and C. Martin incorporated Char-Ran on May 23, 2002. Char-Ran originally registered the domain name char-rancompany.com ("Website") on December 2006. Char-Ran used this website to promote Char-Ran's real estate planning and development program and property management in central Arkansas.

6. R. Martin is listed as the Director of Community Affairs and Managing Member of Char-Ran on the website. C. Martin is listed as the Chief Financial Officer and Managing Member of Char-Ran on the website.

7. In April 2007, R. Martin solicited an Arkansas Consumer in Little Rock, Arkansas ("Consumer") to invest money with Char-Ran and R. Martin. In discussions with Consumer, R. Martin represented that Consumer would be paid a \$15,000 return on an investment of \$60,000 within a period of three months.

8. On April 23, 2007, R. Martin presented Consumer with a Profit Share Plan and a Consulting Agreement for Investment for Real Estate Development Service ("Consulting Agreement"). The Profit Share Plan provided details of projected profits for

a real estate development project involving construction of a residential home on a vacant lot at 2101 S. Ringo in Little Rock, Arkansas. According to the Profit Share Plan, Consumer would invest \$60,000 in vacant property at 2101 S. Ringo where a residential home would be built and sold by Char-Ran, the general partner and developer. The home would be sold for \$120,000. Char-Ran and the Consumer would split the profits from the sale resulting in a \$15,000, or 12.5% return for Consumer, the investor.

9. The Consulting Agreement parties are Char-Ran and Consumer. Char-Ran is called “consultant” in the Consulting Agreement and is represented to be in the business of real estate development. According to the Consulting Agreement, Char-Ran will provide project management, construction, and a purchaser of the resulting constructed residential home. Consumer is referred to as “client” in the Consulting Agreement and is to provide funds in the amount of \$60,000 to Char-Ran to be used to purchase the property, and construct and sell the home.

10. On or around April 23, 2007, the Consumer invested \$60,000 with Char-Ran and R. Martin in accordance with the Profit Share Plan and Consulting Agreement, together hereinafter referred to as the Profit-Sharing Agreement.

11. Records obtained by the Staff indicate that a residential property lot located at 2101 S. Ringo Street, Little Rock, Arkansas (“Property”) was purchased by Char-Ran.

12. After a six month period with no observable construction on the Property, and after Consumer repeatedly contacted Char-Ran and R. Martin for an update on her investment, Consumer requested a return of her investment money due to Char-Ran’s failure to fulfill its obligations of the contract.

13. On January 31, 2008, the Consumer received a letter from R. Martin on Char-Ran letterhead stating that Consumer invested \$60,000 with Char-Ran on April 23, 2007, that the funds have not been returned according to the agreement, that Consumer has not had any gain on the \$60,000, and the entire amount has been a loss to Consumer.

14. As of this date a residential home has not been constructed on the Property and neither the invested funds nor any portion of the invested funds have been returned to Consumer.

15. On May 27, 2008, the Staff requested an itemized accounting of Char-Ran's expenditures in using the Consumer's money. The Staff has received no response to this request.

16. The records of the Department reflect no registration filing or exemption from registration filing for sales of securities in Arkansas, including the Profit-Sharing Agreement, by Char-Ran, R. Martin or C. Martin.

APPLICABLE LAW

17. A certificate of interest or participation in any profit-sharing agreement is a security. Ark. Code Ann. § 23-42-102(15)(A)(vii).

18. It is unlawful for any person to offer or sell any security in this state unless it is registered or exempt from registration under the terms of the Act. Ark. Code Ann. § 23-42-501.

19. It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon a person. Ark. Code Ann. § 23-42-507.

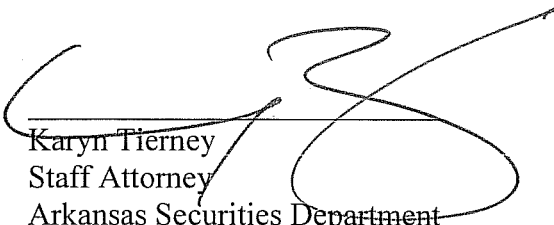
LEGAL AUTHORITY TO ISSUE A CEASE AND DESIST ORDER

20. The Commissioner may summarily order a person to cease and desist from any act or practice that constitutes a violation of any provision of the Act. Ark. Code Ann. § 23-42-209(a)(1)(A).

WHEREFORE, the Staff respectfully requests that the Commissioner summarily issue a cease and desist order against Char-Ran, R. Martin and C. Martin, ordering them to cease and desist from the acts or practices set forth above or any other acts or practices involving offering or selling any security in Arkansas until the security is properly registered or is offered or sold pursuant to an exemption from registration under the Arkansas Securities Act.

WHEREFORE, the Staff further requests that the Commissioner direct and order Char-Ran, R. Martin and C. Martin to immediately CEASE AND DESIST from the acts or practices set forth above or any other acts or practices involving acts and a course of business which operate as a fraud or deceit upon Arkansas residents.

Respectfully submitted,


Karyn Tierney
Staff Attorney
Arkansas Securities Department

Submitted on July 21, 2008