

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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CASE NO. S-09-062

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IN THE MATTER OF:

ORDER NO. S-09-062-09-CD01 ARKANSAS SECURITIES DEPT.

**PEOPLES HOMES BUILDERS INC.
PEOPLE HOME BUILDERS CORP. and
KING JAMES PRIDGEON**

RESPONDENTS

CEASE AND DESIST ORDER

On September 3, 2009, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence that indicates Peoples Homes Builders Inc., People Home Builders Corp., King James Pridgeon, and others unknown to the Staff connected with those persons and entities have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 to 509. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds as follows:

FINDINGS OF FACT

1. The Staff’s Request asserts the following representations of fact:
 - a. Peoples Homes Builders Inc. (“PHBI”) is a corporation organized and existing under the laws of the state of Arkansas, with its principal place of business in Pine Bluff, Arkansas.
 - b. People Home Builders Corp. (“PHBC”) is a corporation organized under the laws of the state of Arkansas. According to records maintained by the Arkansas Secretary of State, PHBC was dissolved on April 26, 2004.
 - c. King James Pridgeon (“Pridgeon”) is a resident of Pine Bluff, Arkansas. At all times relevant to this complaint, Pridgeon was acting as an agent of

PHBI and PHBC. According to records obtained by the Staff, Pridgeon holds the title of President of PHBI and President of PHBC.

- d. On July 30, 2009, a complaint was received by the Arkansas Securities Department (“Department”) regarding a stock offering involving PHBI and PHBC. According to the complainant, a flyer describing the stock offering was posted in a U.S. Post Office in Pine Bluff, Arkansas.
- e. The flyer stated in part that “People Home Builders, Inc. is now offering stock in Peoples Home Builders Corporation. Shares can be purchased at Bank of America.”
- f. On July 30, 2009, the Staff sent a written request for information to Pridgeon and PHBC.
- g. On August 14, 2009, Pridgeon sent a handwritten letter to the Staff in response to the July 30 request for information.
- h. In the response, Pridgeon admitted that he was President of “People Home Builder Inc.” Pridgeon further admitted that he has offered “stock in People Home Builder Inc.” to the public.
- i. No registration statement was filed with the Department or was in effect with respect to any securities issued by PHBI or PHBC. Further, no exemption filing has been made with the Department with regard to the offer and sale of any securities issued by PHBI or PHBC.

CONCLUSIONS OF LAW

- 2. Ark. Code Ann. § 23-42-102(15)(A)(ii) states that a “security” includes “stock.”

The stock offered or sold by PHBI, PHBC, and Pridgeon was a “security” as defined in the Act.

3. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act. PHBI, PHBC, and Pridgeon have violated Ark. Code Ann. § 23-42-501 by offering securities for sale in Arkansas at a time when the securities were not registered or exempt.

4. Whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule or order under the Act, the Commissioner may summarily order the person to cease and desist from the act or practice. *See* Ark. Code Ann. § 23-42-209.

5. The conduct, acts, and practices of PHBI, PHBC, and Pridgeon threaten immediate and irreparable public harm. Based on the Findings of Fact and Conclusions of Law, this Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-42-209.

ORDER

IT IS THEREFORE ORDERED, that Peoples Homes Builders Inc., People Home Builders Corp., King James Pridgeon, and others unknown to the Staff connected with those persons immediately CEASE AND DESIST from 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.

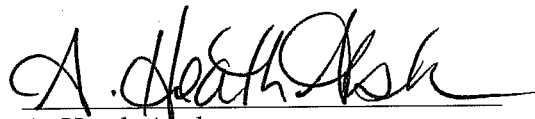
IT IS FURTHER ORDERED, pursuant to Ark. Code Ann. § 23-42-205, that the Staff continue its investigation into potential violations of the Act by Respondents, including but not limited to potential fraud, to determine what action, if any, should be taken, and the Commissioner hereby appoints Reed R. Edwards, Staff Attorney and Kurt Sims, Examiner, as officers for the Arkansas Securities Department, to conduct an investigation and administer oaths

and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, correspondence, memoranda, agreements and other documents and records which are deemed to be relevant or material to the inquiry.

A hearing on this Order shall be held if requested by Peoples Homes Builders Inc., People Home Builders Corp., or King James Pridgeon in writing within thirty (30) days of the date of the entry of this Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. See Ark. Code Ann. § 23-42-209(a)(2).



A. Heath Abshure
Arkansas Securities Commissioner

September 8, 2009

Date