

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)

Michael Dargan,)

**James David Browning, a/k/a Dave
Browning,**)

File Number: 0900221

**Allied Equity Partners Management Co.,)
Inc. and its partners, members, officers,)
directors, agents, employees, affiliates,)
successors and assigns,)**

**Allied Equity Partners, Inc., and its)
partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns.)**

ORDER OF PROHIBITION

TO RESPONDENTS:

Michael Dargan, c/o his attorney
John Frohling
Frohling and Associates, LLC
17 Fulton Street
Newark, NJ 07102

Michael Dargan
19384 SW 66th Street
Fort Lauderdale, FL 33332

Michael Dargan
3942 N E 171st Street
North Miami Beach, FL 33160

James David Browning
19384 SW 66th Street
Fort Lauderdale, FL 33332

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James David Browning
3942 N E 171st Street
North Miami Beach, FL 33160

Allied Equity Partners Management Co., Inc.
c/o its attorney
John Frohling
Frohling and Associates, LLC
17 Fulton Street
Newark, NJ 07102

Allied Equity Partners Management Co., Inc.
19384 SW 66th Street
Fort Lauderdale, FL 33332

Allied Equity Partners, Inc.
3942 N E 171st Street
North Miami Beach, FL 33160

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on July 24, 2009, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois for a maximum period of ninety (90) days.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order of Prohibition within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

1. Respondent **Allied Equity Partners Management Co., Inc.** ("Allied") is a foreign entity incorporated in the State of Florida and doing business in Illinois, with a last known address of 19384 SW 66th Street, Fort Lauderdale, FL 33332.
2. Respondent **Allied Equity Partners, Inc.** is a foreign entity incorporated in the State of Florida and doing business in Illinois with a last known address of 3942 N E 171st Street, North Miami Beach, FL 33160.

3. Respondent **Michael Dargan** (“Dargan”) is the President of Allied and has last known addresses of 19384 SW 66th Street, Fort Lauderdale, FL 33332 and 3942 N E 171st Street, North Miami Beach, FL 33160.
4. Respondent **James David Browning** (“Browning”) is an agent for Allied who has last known addresses of 19384 SW 66th Street, Fort Lauderdale, FL 33332 and 3942 N E 171st Street, North Miami Beach, FL 33160.

COUNT 1

FRAUD IN THE OFFER OF SECURITIES

Misrepresentations and Omissions of Fact to Investors

5. Respondent Dargan printed a Private Placement Memorandum (“PPM”) dated December 1 2008, for an offering of shares of common stock of Allied Equity Partners Management Company.
6. This PPM described Allied as a company that:

readily meets the challenge of delivering quality investments in the real estate sector. [Allied is] a commercial real estate company, connecting commercial real estate property owners and investors. Allied offers commercial real estate products and services catering to the national and foreign needs of the commercial real estate industry. Allied specializes in all commercial real estate property categories including office space, executive suites, commercial land, industrial property and businesses for sale. Allied Equity Partners, Inc. is building new value in South America embracing the commercial foreclosure market, strip malls, shopping centers and land development sector.
7. This PPM stated that “the shares are being offered and sold by reason of an exemptions [sic] afforded by Section 4(2) of the Securities Act of 1933, as amended (the “Act”) and Rule 506 under Regulation D...”
8. Respondent Browning, acting for Respondents Dargan and Allied, solicited investors from several states to invest in Allied common stock.
9. On or around March 2, 2009, Respondent Browning called several Illinois residents to discuss Allied’s common stock offering.
10. On March 2, 2009, after Respondent Browning discussed Allied’s common stock offering with one of the Illinois residents, he had Respondent Dargan send information about Allied and its stock offering to this Illinois resident via email.

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11. In the March 2, 2009 email, Dargan included a copy of the aforementioned PPM, as well as other information, such as wire transfer information and documents pertaining to "Allied's Health Care investor opportunities".

12. One of these documents, titled "Letter of Intent", stated:

Allied Equity Partners Management is now moving forward on their primary health care project for low and middle-income families in South America. Allied is now offering a 2.5% annual return on all receivables from Allied's Health care venture (Medicos Aliados) once specific goals have been met". This letter also stated that if an individual was "interested in embarking with Allied on this business venture send us an email at alliedequity@gmail.com or contact Mr. David Browning directly...

13. The March 2, 2009 email informed potential investors to wire their investment into a checking account at Bank of America held by Allied Equity Partners Management Co. ("Wire Account"). Respondent Dargan was the only signatory for this account.

14. On March 10, 2009 there was a wire transfer into the Wire Account from an Illinois investor in the amount of fifty thousand dollars (\$50,000). This was the only deposit into the Wire Account for the month of March 2009. The balance in the Wire Account after this wire transfer was \$50,020.

15. Once the March 10, 2009 wire transfer took place, Respondent Dargan transferred \$49,000 into a second Bank of America checking account held by Allied Equity Partners Management Co. ("Deposit Account"). Respondent Dargan was the only signatory for the Deposit Account.

16. After the \$49,000 was transferred from the Wire Account to the Deposit Account, the balance in the Deposit Account was approximately \$49,020.95.

17. For the rest of the month of March 2009, there were only two additional credits to the Deposit Account totaling \$300.00.

18. After the \$49,000 of investor funds was transferred into the Deposit Account, Respondent Dargan spent approximately \$41,061.40 of these funds. The expenditures were not related to the real estate or health care ventures discussed in the information provided to investors by Respondent Dargan.

19. For instance, during the time period of March 10, 2009 to March 31, 2009, the Deposit Account was debited numerous times when Respondent Dargan made a number of ATM cash withdrawals and debit card purchases. Debit card purchases

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were made from locations such as American Eagle Outfitters and Hooters Restaurant.

20. While Respondent Dargan was spending money from the Deposit Account, Respondent Browning continued to solicit investments in Allied to investors.
21. During the month of April 2009, Respondent Browning called one of the Illinois residents five times to discuss Allied and to solicit investments in Allied. Respondent Browning also had Respondent Dargan send this Illinois resident information regarding investments in Allied.
22. On April 10, 2009, Respondent Dargan sent an email to this Illinois resident with information about Allied and its health care venture. The email stated, "The following information pertains to Allied health care Colombia. Although our medical website is still under construction, you may visit it at www.mimedicoya.com." The email also contained similar attachments as discussed in Paragraph 11.
23. In April 2009, three investors wired a total of \$52,500 into Allied's Wire Account.
24. That during April 2009, Respondent Dargan transferred \$51,900.00 from Allied's Wire Account to Allied's Deposit Account. These were the only deposits into the Deposit Account during April 2009.
25. Continuing his spending spree during April, Respondent Dargan debited \$11,997.71 from the Deposit Account through teller cash withdrawals, ATM cash withdrawals, and debit card purchases. One of the debits included a \$1,011.99 purchase at Publix, a grocery store chain. In addition, Respondent Dargan spent \$139.00 at the Hard Rock Café in Hollywood, Florida, \$231.99 at the Hard Rock Hotel in Hollywood Florida, and \$376.00 at the Council Oak Restaurant located in the aforementioned Hard Rock Hotel. Respondent Dargan also made over \$2800.00 in ATM cash withdrawals during April 2009.
26. The aforementioned debits from the Deposit Account, including checks, ATM cash withdrawals, and check card purchases, are inconsistent with the real estate and health care business expenditures listed in Allied's PPM and other informational materials distributed to investors.
27. The activities described above constitute the offer of securities as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
28. Section 12.H of the Act states that it shall be a violation of the provisions of this Act for any person "to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security

knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.”

COUNT 2
FAILURE TO REGISTER SECURITIES

29. Paragraphs 1-26 are re-alleged as if fully set forth herein.
30. The activities described above constitute the offer of securities as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the “Act”).
31. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 “shall be registered either by coordination or qualification prior ... to their offer or sale” in the State of Illinois.
32. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the securities were not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
33. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person “to offer or sell any security except in accordance with the provisions of the Act.”
34. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person “to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.”

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State’s Conclusions of Law as follows:

1. By virtue of the foregoing, Respondents violated Section 12.H of the Act.
2. By virtue of the foregoing, the Respondents violated Sections 12.A and 12.D of the Act.
3. By virtue of the forgoing Respondents Michael Dargan, James David Browning, Allied Equity Partners Management, Co., Inc., and Allied Equity Partners, Inc. and each of Respondent’s partners, members, officers and directors, agents, employees, affiliates, successors and assigns are subject to, pursuant to Section

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11.F of the Act, an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to Section 11.F of the Act, Respondents **Michael Dargan, James David Browning, Allied Equity Partners Management, Co., Inc., and Allied Equity Partners, Inc.** and each of Respondent's partners, members, officers and directors, agents, employees, affiliates, successors and assigns are hereby **PERMANENTLY PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 9th day of September 2009.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

James R. Gleffe
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Office of the Secretary of State
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Chicago, Illinois 60602
312-793-3593