

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

**IN THE MATTER OF: ANDREW V. DUNGEY;
AND DRAGON FIRE SOLUTIONS, INC.**

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File No. C0800566

CONSENT ORDER

TO THE RESPONDENTS: DRAGON FIRE SOLUTIONS, INC.
c/o Andrew V. Dungey
1180 Lexington Drive
Bartlett, Illinois 60103

ANDREW V. DUNGEY
1180 Lexington Drive
Bartlett, Illinois 60103

WHEREAS, Respondents on the 9th day of July 2012 executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated December 20, 2011 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondents acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. Dragon Fire Solutions, Inc. (hereinafter "DFSI" or collectively with (Andrew V. Dungey "Respondents")) was an Illinois corporation. Its last known address is 1180 Lexington Drive, Bartlett, Illinois 60103.
2. Andrew V. Dungey ("Respondent Dungey" or collectively with Respondent Dragon Fire, "Respondents") was the president of Respondent

Dragon Fire at all relevant times herein. His last known address is 1180 Lexington Drive, Bartlett, Illinois 60103.

3. Between May 2007 and July 2008, Respondent Dungey on behalf of Respondent Dragon Fire issued stock and stock sales agreements and promissory notes that promised investors a 12 percent rate of return due on any balance over 30 days ("Notes" or "Note").
4. Investor GM and Investor DK are residents of the State of Illinois.
5. In or around May 2007, Respondent Dungey solicited investors to invest in Respondent Dragon Fire to market a fire retardant and extinguishing liquid.
6. On or about May 31, 2007, on behalf of Respondent Dragon Fire, Respondent Dungey offered and sold to Investor GM 15,000 shares of stock. In exchange, Investor GM gave to Respondent Dungey a check in the amount of \$6,000.00, payable to Dragon Fire Solutions, Inc.
7. On or about June 7, 2007, on behalf of Respondent Dragon Fire, Respondent Dungey offered and sold to Investor DK 1,000 shares of stock. In exchange, Investor DK gave to Respondent Dungey a check in the amount of \$6,000.00, payable to Dragon Fire Solutions, Inc.
8. On or about June 23, 2008, Respondent Dungey issued to Investor GM a stock sales agreement and promissory note, which promised to pay a 12 percent rate of return, 30 days after date of issue, replacing Investor GM's previously purchased shares.
9. On or about August 4, 2008, Respondent Dungey issued to Investor DK a stock sales agreement and promissory note, which promised to pay a 12 percent rate of return, 30 days after date of issue, replacing Investor DK's previously purchased shares.
10. From on or about June 2007 through December 2007, Respondent Dungey withdrew approximately \$8,300 from Respondent Dragon Fire's bank account.
11. From on or about June 2007 through August 2008, Respondent Dungey made numerous personal and/or unrelated transactions using Respondent Dragon Fire's bank account, totaling approximately \$16,460.
12. To date, despite demands, the Respondents have failed to pay the investors their principal and interest, pursuant to the terms of the Notes.

13. To date, despite demands, Investors have not received any monies back from their investments, pursuant to the terms of the Notes.
14. That the activities set forth in paragraphs above constitute the offer and sale of Notes and stocks, and therefore securities, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*
15. The activities set forth in paragraphs above constitute the offer and sale of an investment contract, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*
16. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."
17. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
18. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof."
19. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
20. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
21. Respondents did not invest Investors' funds for the benefit of Investors. In particular, Respondent Dungey withdrew over \$8,300 of Investors' funds from Respondent Dragon Fire's bank account for his own personal use and benefit.

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22. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.”
23. Respondent Dungey represented to Investors that their funds would be used to develop a prospect list and demonstrate the product to fire protection agencies. Instead, Respondent Dungey converted Investors’ money for his own personal use and benefit.

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the Secretary of State has adopted the following additional Finding of Fact:

1. That Section 11.E (4) of the Act provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney’s fees and witness fees.

WHEREAS, by means of the Stipulation Respondent has acknowledged, while neither admitting or denying the truth thereof, that the following shall be adopted as the Secretary of State’s Conclusions of Law:

1. Respondents Andrew V. Dungey and Dragon Fire Solutions, Inc. have violated Section 12.A, D, F, and G of the Illinois Securities Law of 1953 (815 ILCS 5/1 *et seq.*);
2. Respondents Andrew V. Dungey and Dragon Fire Solutions, Inc. are subject to an order that permanently prohibits them from offering and/or selling securities in or from the State of Illinois, in accordance with Sections 11.E(2) and 11.F(1) of the Act;
3. Respondents Andrew V. Dungey and Dragon Fire Solutions, Inc. are potentially subject to a FINE pursuant to Section 11.E(4) of the Act.

WHEREAS, by means of Stipulation Respondents have acknowledged and agreed that Andrew V. Dungey and Dragon Fire Solutions, Inc., his/its affiliates, employees,

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successors and assigns, shall be permanently prohibited from offering or selling securities in the State of Illinois.

WHEREAS, by means of the Stipulation, Respondent shall be fined for violation of the Act the amount of Ten Thousand dollars (\$10,000.00). Said fine shall be paid by certified or cashier's check, made payable to the Secretary of State, Securities Audit and Enforcement Fund, within 30 days of the entry of the aforesaid Consent Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

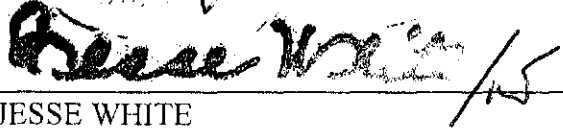
1. Acknowledges and agrees that Respondent Andrew V. Dungey shall immediately reinstate the payments as entered in Agreed Installment Order, In Re Dennis Keizer, Sr. vs. Andrew V. Dungey, Case No. 2009 SR 539, September 14, 2009 in the Circuit Court of the Eighteenth Judicial Circuit, Du Page County, Illinois.
2. Acknowledges and agrees that Respondent Andrew V. Dungey shall immediately reinstate the payments as entered in Agreed Installment Order, In Re George R. Matocha vs. Andrew V. Dungey, Case No. 2009 SR 540, September 14, 2009 in the Circuit Court of the Eighteenth Judicial Circuit, Du Page County, Illinois.
3. Respondents Andrew V. Dungey and Dragon Fire Solutions, Inc. are permanently **PROHIBITED** from offering and/or selling securities in or from the State of Illinois.
4. The Respondents Andrew V. Dungey and Dragon Fire Solutions, Inc. are fined, joint and severally, for violation of the Act the amount of Ten Thousand Dollars (\$10,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, within thirty (30) days from the entry of the Consent Order.

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5. The Notice of Hearing issued in this matter is hereby dismissed.

ENTERED: This 12th day of July 2012.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12(D) of the Illinois Securities Law of 1953 [815 ILCS 5] (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 this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State:
Felicia H. Simmons-Stovall
Enforcement Attorney
Office of the Secretary of State
Illinois Securities Department
69 W. Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
James L. Kopecky
190 S. LaSalle, Suite 850-A
Chicago, Illinois 60603
Telephone: (312) 380-6552