

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

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**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.** )

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**TEMPORARY ORDER OF PROHIBITION**

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

Michael Dargan  
19384 SW 66<sup>th</sup> Street  
Fort Lauderdale, FL 33332

Michael Dargan  
3942 N E 171<sup>st</sup> Street  
North Miami Beach, FL 33160

James David Browning  
19384 SW 66<sup>th</sup> Street  
Fort Lauderdale, FL 33332

Illinois Secretary of State  
C0900221  
Temporary Order of Prohibition  
- 2 -

James David Browning  
3942 N E 171<sup>st</sup> 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 66<sup>th</sup> Street  
Fort Lauderdale, FL 33332

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

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

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 66<sup>th</sup> 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 171<sup>st</sup> Street, North Miami Beach, FL 33160.
3. Respondent **Michael Dargan** (“Dargan”) is the President of Allied and has last known addresses of 19384 SW 66<sup>th</sup> Street, Fort Lauderdale, FL 33332 and 3942 N E 171<sup>st</sup> 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 66<sup>th</sup> Street, Fort Lauderdale, FL 33332 and 3942 N E 171<sup>st</sup> 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 1st 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.
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:

Illinois Secretary of State  
C0900221  
Temporary Order of Prohibition

- 4 -

**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](mailto: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 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.

Illinois Secretary of State  
C0900221  
Temporary Order of Prohibition

- 5 -

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](http://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."
29. By virtue of the foregoing, Respondents violated Section 12.H of the Act.

**COUNT 2**  
**FAILURE TO REGISTER SECURITIES**  
**Stock Offering and Participation in the Profit Sharing of Health Care  
Receivables Are Not Registered With the Secretary of State**

30. Paragraphs 1-26 are re-alleged as if fully set forth herein.
31. 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").
32. 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.
33. 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.
34. 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."
35. 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."
36. By virtue of the foregoing, the Respondents violated Sections 12.A and 12.D of the Act.

**COUNT 3**  
**FAILURE TO COMPLY WITH AN ORDER ISSUED PURSUANT TO  
SECTION 11 OF THE ACT**

37. Paragraphs 1-26 are re-alleged as if fully set forth herein.
38. 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").

Illinois Secretary of State  
C0900221  
Temporary Order of Prohibition

- 7 -

39. On or about August 30, 2009, The Illinois Securities Department of the Office of the Secretary of State of Illinois (“the Department”) opened an investigation of Allied and the offering of Allied’s securities to Illinois investors.
40. On May 28, 2009, in the course of the investigation into the offer of Allied’s securities, pursuant to Sections 11C and 11D of the Act, the Department issued an “11.C letter” to Respondent Dargan, as President of Allied, requesting specific records and documents of the company. The 11.C letter stated that “Failure to respond fully and accurately to this request by June 10, 2009... may be treated as a violation of Section 12.D of the Act.
41. Respondent Dargan received the 11.C letter via certified mail on June 1, 2009.
42. On June 9, 2009, Allied’s attorney wrote a letter to the Department requesting an extension on the 11.C letter’s June 10, 2009 date for production of documents.
43. On June 10, 2009, Allied’s attorney wrote an email to the Department requesting an extension on the 11.C letter’s June 10, 2009 date for production of documents.
44. On June 15, 2009, the Department agreed to an extension for Respondent Dargan to produce documents by or on June 19, 2009.
45. On July 13, 2009, with Respondent still not having produced the documents requested by the 11.C letter, the Department contacted the Respondent’s attorney by telephone to discuss the status of the production. Respondent’s attorney stated that the Department should have the documents by Wednesday, July 15<sup>th</sup>, 2009.
46. On July 13, 2009, the Department sent a certified letter to the Respondent’s attorney acknowledging that we expect to receive the requested materials by July 15, 2009. If production was not received by then, it was stated that the Department will initiate an administrative proceeding to prohibit Respondent from selling securities in the State of Illinois.
47. Respondent has failed or refused to produce the documents requested pursuant to the 11.C letter.
48. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person “to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.”
49. That the “11.C letter” described above constitutes an order of the Secretary of State pursuant to Sections 11.C. and 11.D of the Act.

Illinois Secretary of State  
C0900221  
Temporary Order of Prohibition

- 8 -

50. By virtue of the foregoing, Respondent Allied Equity Partners Management Company, and its President, Respondent Dargan violated Section 12.D of the Act.

**PROHIBITION**

51. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

52. The entry of this **Temporary Order of Prohibition** prohibiting Respondent, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by 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 **Temporarily Prohibited** from offering or selling securities in or from this State for a maximum period of ninety (90) days.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to:

James Gleffe  
Enforcement Attorney  
Illinois Securities Department  
Office of the Secretary of State  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602

Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition.

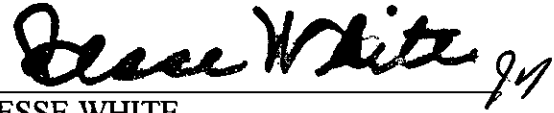
FAILURE OF ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALANDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS



Illinois Secretary of State  
C0900221  
Temporary Order of Prohibition  
- 9 -

ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE  
THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 24th day of July, 2009.

A handwritten signature in black ink that reads "Jesse White" followed by a stylized flourish or initials.

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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James R. Gleffe  
Enforcement Attorney  
Illinois Securities Department  
Office of the Secretary of State  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
312-793-3593