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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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DEC 08 2014

Office of Administrative
Law Judges

ADMINISTRATIVE PROCEEDING)
File No. 3-15900)
)
In the Matter of:)
) HON. CAROL FOX FORLAX
) ALJ
JOHN BRAVATA,)
AND,)
ANTONIO BRAVATA.)
Respondents.)

NOTICE OF APPEAL OF ADMINISTRATIVE PROCEEDINGS RULINGS
THE DENIAL OF ISSUANCE OF SUBPOENA

ADMINISTRATIVE PROCEEDINGS RULINGS Release No. 2035/NOV. 19, 2014

The Securities and Exchange Commission instituted a proceeding with an Order Instituting Proceedings on June 2, 2014, pursuant to Sections 15(b) of the Securities Exchange Act of 1934 and 203(f) of the Investment Advisors Act of 1940. In this proceeding the SEC has accused the Respondents of being Regulated by their Governmental Agency, as well as violating Security Laws for which they govern.

Following a July 21, 2014 prehearing conference, The Division of Enforcement was ordered to make available its investigative file to each Respondent in Concordance format.

The Division filed for a motion for summary disposition. The Respondents have filed multiple filings concerning the proceedings against them, taking issue with "Standing and Jurisdiction", and the turning over of very specific documents which Respondent doesn't believe

the Division can produce to verify their allegations.

Once again the Division along with this Administrative Court has misconstrued and improperly come to improper conclusions of the legal arguments presented and the rights to due process of the Respondents. The following arguments need to be addressed:

QUESTIONS

1. WHEN CHALLENGING STANDING AND JURISDICTION IN THE FIRST INSTANCE, DOES THE GOVERNMENT AND THE AJL HAVE TO ADDRESS THE ISSUE AND SHOW PROOF OF STANDING AND JURISDICTION AS TO NOT DENY RESPONDENTS REVIEW AND THE DUE PROCESS RIGHTS OF ANY INDIVIDUAL.

Upon inspection this Authority will come to realize that in fact Respondents must substantially prevail in accord with the record accuracy laws. Reviewing the full record in its entirety will show, taken in the light most favorable to Respondent, that there is an inaccurate records basis for Respondents claims on the issue of Violation of Records formation and maintenance laws.

The touchstone of Due Process is the protection of individuals against arbitrary action of government. See Dent v. West Virginia, 129 US 114, 123 and Mathews v. Eldridge, 424 US 319, 332 (1976). The obligation to do justice rests will all. See Rankin v. Emigh, 218 US 27, 54 L.Ed 915, S.Ct. 672 and the Courts have long held that there shall be hearings before the deprivation of liberty rights and common law jural interests involved here at Mathews v. Eldridge, 424 US 319, 96 S.Ct. 893, 47 L.Ed 2d 18(1976).

The right of appeal arises in every case of complaint, yet denial without is not "the other side sustaining their actions", as required by the Privacy Act Public terms and conditions. So it is difficult to determine which this Authority is finding in order to deny the

the Respondents the right to view records, if any, that show Standing and Jurisdiction over the Respondents.

This ALJ and body has improperly denied access to the Respondents by denying the Division to be forced to prove what documents they relied upon when challenged to show standing and jurisdiction. The ALJ and the government instead of ordering the documents as requested, has instead attempted to continue to circumvent the law and due process by procedural gamesmanship.

The Denial of these records are stated by this AJL as: "Respondents also request a subpoena requiring the Division to produce specific pieces of evidence intended to prove that they engaged in specified misconduct and are subject the jurisdiction of the Commission." The denial of such this ALJ stated: "However, this is a follow on proceeding based on United States v. Bravata (criminal) and SEC v. Bravata (civil) and the facts underlying those proceedings will not be retried." "Nor does it permit a respondent to relitigate issues that were addressed in a previous civil proceeding against him, whether resolved by consent, by summary judgment, or after a trial."

The facts are that this issue is in dispute and has not been litigated in any venue. The Criminal case in which the Division and the ALJ wish to rely upon infact did not pertain to any security law violations. Infact, to the contrary, when the Division had an opportunity to charge Respondents with Security Law violations in the Criminal trial, instead, knowing no jurisdiction could be shown, chose to drop all charges related to any Security law violation. Hence, this body nor the division can rely upon the Criminal conviction of Mail or Wire fraud to show a violatation of security law and to show or rest upon proving standing and jurisdiction in the first instance.

Next the Division and the ALJ rest on the fact that after the criminal conviction, the SEC asked for and received a summary judgement on the civil case which was improperly granted and is on appeal in the 6th Circuit Court of Appeals. This is not a final judgment and no standing or jurisdiction was ever proven in the civil case. No documents were turned over or produced to show standing and jurisdiction. So to say the basis for the Respondents for wanting simple documents that they request to show standing and jurisdiction, and to have this ALJ deny this simple document request, says all that needs to be said about the fairness of this ALJ process in these matters.

The Division along with the ALJ has stated they are aware of the continued request for these simple documents. They are aware that Respondent has requested this information to defend himself against the allegations not only from this body, but from the Privacy Act. This ALJ is aware and admits that to date, the Division has NOT complied with the Privacy Act, and continues to refuse to turn over such documents.

Is this ALJ stating and making the determination that (1) the Privacy Act requirements does not pertained to these transactions or inaccurate records at issue? (2) that this authority can change the statutory requirements that the division is above the law and does not have to comply with the Privacy Act? (3) That this Authority can change the statutory requirements of 18 USC 3621(c), 28 USC 566(a)-(c), and 28 USC 2249 and 28 USC 2249? There is an explanation required to facilitate effective and complete review of the determination to deny "request fro records correction, adjustment, and or cancellation of records errors." The records are jurisdictional on thier face and so challenge to thier accuracy and the challenge of invalidity of facts and record and facts underlying decisions adverse to the Respondents is the

proverbial challenge to jurisdiction which can be raised at any time and when raised MUST IMMEDIATELY be addressed. Neither the government, nor this Authority, has addressed properly what the law requires to be addressed. Thusly effective review is being denied and Due Process rights are denied.

In effect, the ALJ is nothing more than a charade. If the ALJ, when a complaint is brought by thier own Division, already gives the win based solely on any criminal outcome, or any civil outcome, without a "meaningful" process to fight the allegations, then in reality, there is no real process, its all a scheme for show. All the Respondents have requested is specific documents that the SEC has relied upon to make the conclusions and charges that the ALJ is finding for in this hearing. And the response is, "No, you cant have those, your guilty authomatically because a civil court granted a summary judgment or that you were found guilty in a criminal court already". The problem is that the Respondents were NOT tried in a criminal court for any of the allegations broght in the administrative hearing. No standing or Jurisdiction was proven or challenged in the criminal court because the Division dropped those charges because they could not and continue to not be able to prove standing and jurisdiction.

2. DID THE DIVISION COMPLY WITH THE MANDATE TO TURN OVER THEIR INVESTIGATIVE FILE TO THE RESPONDENTS TO MEET THEIR REQUIREMENT OF PROPER DISCOVERY?

The Respondent has from the start given the Division and this ALJ a very specific number of specific documents which Respondents request to defend themselves from the allegations at hand in this matter. This ALJ has continued to deny the Respondents the right to a simple subpoena

for the requested documents. The ALJ instead quotes: "Respondents do not dispute that the Division sent CD's to them but complain that the Division provided its entire investigative files, consisting "Millions of pages", without identifying specific documents that support various conclusions disputed by Respondents." The rationale is: "The Division represented that it would turn over its entire investigative file in searchable format, nothing in 17 CFR 201.230 requires it to go beyond that and prepare a roadmap of the documents or otherwise assist the Respondents in opposing the Division's case." Order No. 2035 November 19, 2014.

This is wrong and false on many levels. First, the ALJ is relying on the rules of the Division to run this procedure. The ALJ has not even met the hurdle that the Respondents are in fact even regulated by proving standing and jurisdiction in the first instance. Respondents do not bow to the fact that ANY of the rules of the Division or this ALJ have any authority over them. Secondly, is the ALJ stating that the Division can bombard the Respondents with discovery, in unindexed, unorganized files and that somehow fits the requirement set by the Civil Rules of Procedure and that by bombarding the Respondents with Millions of unorganized documents releases the burden of the Division to prove Standing and Jurisdiction when Challenged?

It should be noted that the Respondents have requested from this ALJ on multiple occasions a simple request for specific documents from the beginning and did so at every status hearing and including specific written request and motions to this body and to the SEC demanding specific information.

The Respondents have claimed from the beginning that the Division has purposefully and intentionally bombarded the Respondents in a

manner in which this ALJ has erroneously permitted the Division to produce titanic amounts of electronic discovery in formats that were simultaneously disorganized and unsearchable. Specifically, the Respondents asserts that the electronic images and disks of potential exculpable material, and discovery needed for this hearing, are difficult if not impossible to search through a needle in a haystack. The Respondents further contends that the Divisions failure and this ALJ's failure to supplement the discovery material with indices was and is prejudicial to the preparation of the adequate defense. In such the refusal for this ALJ to authorize a simple request for very limited specific documents is highly predjudicial. In making this argument, the Respondent leans heavily on the F.R.Cv. P. (b)(3)(E)(i), which requires a party to "produce discovery material as they are kept in the usual course of business or to organize and label them to correspond to the categories in the request." Discovery is mandated by F.R.Cr.P. Rule 16, to which governs criminal discovery as well as F.R.Cv.P.

But whether or not the ALJ chooses to follow the rules of Civil Procedure or Criminal procedure, Respondents argue that due process mandates enforcement of the civil rule in this context. See United States v. Moss Graham, et. al., U.S. Dist. LEXIS 122113, Case 1:05-cr-45, May 16, 2008, where the Court noted in a matter of this complexity and magnitude, the government cannot be committed to remain inert in the face of large volumes of unsorted discovery materials. Nor can the governmnet be committed to refuse to share databases and search engines with defense counsel. (in this case the Respondents). "The Tax payers should not be required to fund two

two separate means for managing and searching electronically recordable data. Secondly, electronic discovery must be provided virus free and in a non-corrupt form. Thirdly, the courts should establish deadlines for the governments production of discovery. The Court may need to bar the use of late discovery at trial. The government cannot be permitted to essentially, unilaterally, control the date of a trial by dribbling out discovery in a haphazard disorganized manner.

The Respondents has been very clear. They do not want or need the ENTIRE investigative file, they need and are entitled to specific documents for which they have requested. It does not meet the requirement for the Division to purposefully bombard 100's of thousands of documents, millions of pages, clearly it is the Division intent to attempt to receive a judgment from this ALJ without ever turning over any of the simple very specific discovery documents, because they do not exist!

See Howard v. United States, 218 F. 3d 556, 562, (6th Cir. 2000). "As stated earlier, the court does not find that the government acted in bad faith though in retrospect, discovery could have and should have been handled differently. The court, however, must also share in this failing. Deterrence of government misconduct, however, is not a consideration in this case, accordingly, this factor weighs heavily in favor of dismissal with prejudice."

In closing. It is reprehensible that this ALJ does not authorize the requested subpoena for specific documents requested by the Respondents. If in fact they even exist. Would the request for a specific document, one in which the Division relies upon to make such allegations against the Respondents, not be easily available to produce to the Respondents?

The Division says that they regulate the Respondents. But the Respondents have no documents from the Division which shows or demonstrates how the SEC has any authority over a private citizen running a private business, one which is not regulated by the SEC in the first place. All legal documents signed by the investors of the Respondents company in question signed with the knowledge that we were NOT regulated. See Exhibit 1 and 2.

The Division states that the Respondents have violated certain and specific security laws for which they govern. Well, Where are the documents which show that the companies run by the Respondents, and the Respondents themselves were in some way regulated by the SEC?

AGAIN, the Respondents request specific documents:

1. Respondents have requested the investigative documents which the Division relied upon to come to the conclusion that John Bravata and especially Antonio Bravata were somehow regulated in the first instance by the SEC and subject to their rules and regulations as a private citizen and a Private business. To date in every forum, the SEC has failed to provide such discovery even when mandated under the Privacy Act. In the discovery that the Division was allowed to bombard the Respondents with, no such documents exist or can be found.
2. If the Division wants a summary judgment without a trial. Respondents at a minimum should be allowed to review specific records for which the Division relies upon.
3. Where are the specific records for which the Division made claims that the Respondents were running a "Ponzi Scheme"?

4. Where are the specific documents the Division relies upon to show the Respondents were regulated by the SEC when in fact the legal documents of the company, Operating Agreement, PPM, and subscription agreements which the investors signed and the formation of the company shows otherwise?

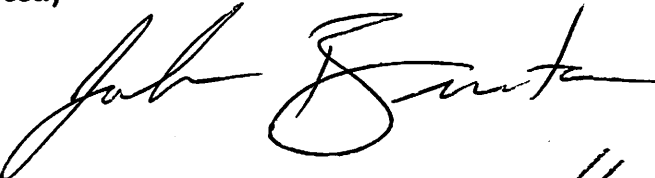
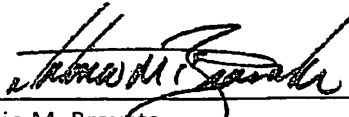
Respondents have requested multiple times. The Division HAVE NOT ever nor in the discovery they harbored Respondent with provided such documents to date. The refusal of this ALJ to authorize a subpoena is improper and the Respondents immediately give notice of Appeal of this order which is allowed. Respondents seek a stay in the proceedings until the specific documents are turned over which is required by law and/or the Appeal Court rules on such matters.

Respectfully submitted,

John Bravata and

Antonio Bravata

November 28, 2014


AMB
Antonio M. Bravata

PROOF OF SERVICE

This is to certify that a true and correct copy of the within submission was provided this day via usps fcm prepaid by placing in the mail at jail to all parties in and of interest at their legal residences of record cited for use in notification as to these matters. 28 USC 1746 (Mail Box rule) also ECF/CF upon receipt is inevitable.

Done November 28, 2014

John Bravata

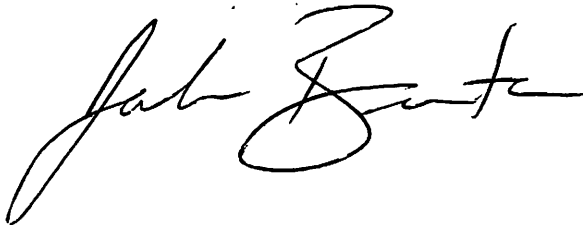


EXHIBIT 1

SUBSCRIPTION AGREEMENT SIGNED BY INVESTORS
WITH DISCLOSURES OF NOT BEING REGULATED BY SEC



SUBSCRIPTION AGREEMENT – CLASS D SHARES
(For U.S. Residents)

PPM#

TO: BBC Equities, LLC
3000 Town Center Dr. 17th Floor
Southfield MI 48075

The person(s) or entity whose name and address appears below (the "Purchaser") offers to purchase, as principal, the number of shares of the Class D Membership Interests (the "Class D Shares") of BBC Equities, LLC, a Michigan limited liability company (the "Company"), from the Company at the price and upon the terms and conditions set forth below. The Class D Shares shall have the terms, conditions, rights and preferences set forth in the Company's Articles of Organization, as amended, and the Operating Agreement of BBC Equities, LLC, dated February 5, 2007, as amended (the "Operating Agreement"), as the same may be amended from time-to-time in accordance with the terms thereof.

1. **Purchaser Information**

Name _____ **of** _____ **Purchaser:**

Mailing _____ **Address:**

Telephone Number: (_____) _____ -- _____

Social Security Number/Taxpayer Identification Number: _____ -- _____ -- _____

- Category 8 An entity in which all of the equity owners satisfy the requirements of one or more of the foregoing categories.

- Category 9 None of the above apply to the undersigned Purchaser. **If this box is checked, the investment may not be made and this subscription will not be accepted by the Company.**

7. **General Representations and Warranties.** The Purchaser represents warrants and acknowledges to Company as of the date hereof as follows:

- (d) The undersigned has received, read and understands the Confidential Private Placement Memorandum of BBC Equities, LLC for the offer and sale of the Shares, together with all of the Exhibits thereto (the "Memorandum"):

- (e) The undersigned has received, read and understands the Company's Articles of Organization, Certificate of Amendment to its Articles of Organization and its Operating Agreement (each of which are attached as Exhibits to the Memorandum) and agrees and consents to the terms and conditions specified therein;

- (f) The undersigned is acquiring the Shares for his or her own account, for investment purposes only and not with a view to or for the resale, distribution or fractionalization thereof, in whole or in part, and no other person or entity has or is intended to have a direct or indirect beneficial interest in the Shares;

- (g) The undersigned understands that the offering and sale of the Shares have not been registered under the Securities Act of 1933, as amended (the "33 Act"), the Michigan Uniform Securities Act, as amended (the "Michigan Act"), or any other applicable securities laws and that the offer and sale of the Shares have been made in reliance upon exemptions from registration under the 33 Act, the Michigan Act and the other applicable securities laws, and the rules and regulations promulgated there under;

- (h) The undersigned has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares and protecting his or her interests in connection with the investment. The undersigned has determined that the Shares are a suitable investment for him or her and that the undersigned is financially capable of bearing a complete loss of the investment.

- (i) The undersigned will not sell or otherwise transfer the Shares without registration under the 33 Act and/or the Michigan Act and/or any other applicable securities laws or without an exemption there from. The undersigned understands and agrees that he or she must bear the economic risk of this investment for an indefinite period of time because, among other reasons, there is presently no market for the Shares, and the Shares have not been registered under the 33 Act, the Michigan Act or the securities laws of any other jurisdiction. As a result, the Shares cannot be resold, pledged, assigned or otherwise disposed of except in compliance with the restrictions set forth in the Operating Agreement and all applicable laws;
- (j) The undersigned is authorized and qualified to purchase the Shares, and this Agreement has been duly authorized, executed and delivered by the undersigned and constitutes the valid and binding legal obligation of the undersigned enforceable against the Purchaser in accordance with its terms.
- (k) The undersigned is: (i) a resident of the State of _____, the offer to purchase the Shares has been made within the State of Michigan and the sale of the Shares has occurred within the State of Michigan; or (ii) an entity domiciled in State of _____, the offer to purchase the Shares has been made within the State of Michigan and the sale of the Shares has occurred within the State of Michigan;
- (l) The undersigned has had an opportunity to obtain the advice of an attorney, a certified public accountant or an investment advisor with respect to the merits and risks of his investment in the Shares;
- (m) The undersigned acknowledges that the offer and sale of the Shares has not been accomplished by any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, or other communication published in any newspaper, magazine or similar media, Internet Web site or broadcast over television or radio or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;
- (n) The undersigned has had the opportunity to ask questions and receive answers from the Company's Managers concerning the Company, this Agreement, the Operating Agreement and other matters pertaining to this investment, and has been furnished with all documents and other information of or relating to the Company which the Purchaser has requested, and has obtained, in his or her judgment, sufficient information to evaluate the merits and risks of an investment in the Shares; and
- (o) Except for those set forth in this Agreement, the Operating Agreement and

the Memorandum, no representations or warranties have been made to the undersigned by the Company or any Manager, employee, agent, control person or affiliate of the Company. The undersigned acknowledges and agrees that any other written or verbal representations or warranties not expressed in this Agreement, the Operating Agreement or the Memorandum have been superseded and may not be relied upon by the Purchaser in his or her decision to purchase the Shares.

8. Acknowledgments. The Purchaser acknowledges the following:
- (a) The Company was organized in the State of Michigan on May 1, 2006 and has limited operating history;
 - (b) There is no present public market for the Shares being sold pursuant to this Agreement and there is no assurance that any public market will develop. The price of the Shares has been arbitrarily determined by the Company and does not necessarily reflect the book value of the Shares on the date hereof. The offering price of the Shares set forth herein should not be considered an indication of the actual value of the Shares or of the Company;
 - (c) There are significant limitations on the Company's ability to pay dividends or other distributions on the Shares. Any future distributions will depend on earnings, if any, of the Company, its financial requirements and other factors which are more fully described in the Memorandum;
 - (d) It is the intention of the Company to structure this offering so that it is exempt from registration under the 33 Act and the Michigan Act in reliance on the private placement safe-harbor under the SEC's Regulation D. Failure of the Company to comply with the requirements of Rule 506 of Regulation D could make such exemption unavailable. Such non-compliance could create a liability for the Company for failing to register the Company's securities;
 - (e) The Company will have the option to change the percentage rate of the Class D Preferred Distributions on the Class D Shares purchase hereunder from time-to-time upon no less than 60 days advance written notice.

EXHIBIT 2

PRIVATE PLACEMENT MEMORANDUM

WITH DISCLOSURES TO INVESTORS OF NOT BEING REGULATED BY SEC



**CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM**

BBC EQUITIES, LLC

(a Michigan limited liability company)

3680 W. Grand River Ave. 3000 Town Center, Suite 1700
Brighton, Michigan 48116 Southfield, Michigan 48075
(888) 225-4934 (888) 225-4934
(Current address) (As of June 1, 2008)

Dated: April 17, 2008

\$200,000,000 Placement of Shares of Class B and Class D Interests

BBC Equities, LLC, a Michigan limited liability company (the "Company"), is seeking to raise a maximum of \$200,000,000 in this offering and is offering to sell: (a) shares of its Class B Interests ("Class B Shares") at an initial price (to be established in a supplement to this Memorandum) equal to a premium per share in excess of the Company's Net Asset Value per Share (determined by dividing the Company's Net Asset Value as of the most recent Valuation Date by the number of then issued and outstanding shares of Class A and Class B Interests); and (b) shares of its Class D Interests ("Class D Shares") at a price of \$1.00 per share (the "Offering Price") (shares of the Class B and D Interests are collectively referred to herein as the "Shares"). The Company reserves the right to establish, increase or decrease the premium over Net Asset Value in calculating the Offering Price of Class B Shares from time-to-time as circumstances dictate. This is a continuous offering that will end no later than two (2) years from the date of this Memorandum. Each investor purchasing shares of Class B or Class D Interests must invest a minimum of \$25,000.00; however, the Managers may on a case-by-case basis waive the minimum investment amount in circumstances they deem appropriate. Payment for the Shares will be required upon the execution and delivery of a Subscription Agreement and the acceptance of the subscription by the Company, at which time the investor's subscription will become irrevocable. The Company may reject any subscription, in whole or in part, for any reason or no reason. The following table illustrates the anticipated maximum offering expenses and aggregate net proceeds to the Company - assuming the maximum offering hereunder is fully raised (of which there can be no assurance) through the sale of Class D Shares only:

Maximum Number of Shares (1)	Price per Share	Aggregate Gross Proceeds	Maximum Aggregate Offering Expenses and Organizational Costs (2)	Aggregate Proceeds to Issuer (2)
Class D Shares (200,000,000 shares)	\$1.00	\$200,000,000	\$16,200,000	\$183,800,000

(1) The maximum offering amount may be raised through the sale of Class B Shares, up to 200,000,000 Class D Shares or any combination of both Class B and Class D Shares. Class D Shares will be priced and offered through a supplement to this Memorandum. As the Company establishes the pricing of the Class B Shares and the Net Asset Value changes over time, the maximum number of Class B Shares offered hereunder may increase or decrease. Also, each sale of Class B Shares will result in a decrease in the number of Class D Shares offered for sale.

(2) See "Use of Proceeds". See also "Risk Factors - Possible Fees or Commissions". This amount reflects the Company's estimate of the total organizational and offering-related expenses and possible fees and commissions. In connection with this offering, the Company intends to utilize the services of brokers, finders and/or sales agents, who may or may not be affiliated with the Company's Managers. The Managers presently contemplate organizing a securities broker-dealer which would assist the Company in selling Shares in this offering.

Since the Company has not yet entered into any arrangement with a broker, the amount of commissions or other costs for brokers' services the Company will be required to pay has not been determined. The Company will pay a maximum of an 8% finder's fee to others for the introduction of investors who actually invest in the Shares. The offering expenses listed above assumes an 8% finder's fee is paid on the entire maximum offering. If Shares are sold by a broker, the related commissions will result in an increase in the aggregate offering expenses and a decrease in the net proceeds available to the Company.

THE COMPANY IS A "BLIND POOL" WITH BROAD INVESTMENT OBJECTIVES AND THE NET PROCEEDS OF THIS OFFERING HAVE NOT YET BEEN ALLOCATED TO ANY IDENTIFIED INVESTMENTS.

AN INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK. ACCORDINGLY, THIS OFFERING IS ONLY INTENDED FOR PERSONS WHO CAN AFFORD TO LOSE ALL OR SUBSTANTIALLY ALL OF THEIR INVESTMENT. See "Risk Factors".

Confidentiality

This Memorandum is for the confidential use of prospective investors in connection with the Shares offered hereby, and is not to be reproduced or used for any other purpose. Each prospective investor, by accepting delivery of this Memorandum, agrees not to make a photocopy or other copy of the same, to divulge the contents to any person other than its legal, investment or tax advisers or to make use of the information contained herein other than in considering an investment in the Shares.

Disclaimers

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK AND THERE IS NO ASSURANCE THAT THE OPERATIONS OF THE ISSUER WILL BE PROFITABLE OR THAT LOSSES WILL NOT OCCUR. THE OFFERING PRICE HAS BEEN ARBITRARILY SELECTED BY THE ISSUER. NO MARKET EXISTS FOR THESE SECURITIES, AND UNLESS A MARKET IS ESTABLISHED, PURCHASERS MIGHT NOT BE ABLE TO SELL THEM.

THE SHARES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THE OFFICE OF FINANCIAL & INSURANCE SERVICES OF THE MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH UNDER THE MICHIGAN UNIFORM SECURITIES ACT, AS AMENDED, OR WITH ANY SECURITIES ADMINISTRATOR UNDER THE SECURITIES LAWS OF ANY OTHER STATE. THEY ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER SUCH LAWS, ARE OFFERED ONLY TO CERTAIN "ACCREDITED INVESTORS" WHO HAVE SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT THEY ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF THIS INVESTMENT, WHO ARE ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT AND WHO WILL ACQUIRE SUCH SHARES FOR INVESTMENT AND WITHOUT A VIEW TO ANY DISTRIBUTION OR RESALE OF ALL OR ANY PORTION THEREOF.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, THE OFFICE OF FINANCIAL & INSURANCE SERVICES OF THE MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH OR ANY OTHER STATE AGENCY, NOR HAS THE COMMISSION OR ANY STATE AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR THE FAIRNESS OF THE TERMS UPON

WHICH THESE SECURITIES ARE OFFERED. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED TO THE MICHIGAN OFFICE OF FINANCIAL & INSURANCE SERVICES, AT 611 WEST OTTOWA, LANSING, MICHIGAN 48933, OR TELEPHONE (517) 373-0220.

SALES OF SHARES WILL BE MADE ONLY TO "ACCREDITED INVESTORS" MEETING THE QUALIFICATIONS SET OUT IN THIS MEMORANDUM UNDER "SUITABILITY REQUIREMENTS" AND TO NO MORE THAN 35 PERSONS WHO DO NOT MEET THOSE REQUIREMENTS. NO OFFER OF SECURITIES WILL BE DEEMED TO BE MADE TO ANY PERSON WHO DOES NOT MEET THESE REQUIREMENTS UNLESS THE COMPANY: (1) ACCEPTS SUCH PERSON'S SUBSCRIPTION AGREEMENT; AND (2) THE COMPANY DELIVERS TO SUCH PERSON AUDITED FINANCIAL STATEMENTS IN COMPLIANCE WITH THE SECURITIES AND EXCHANGE COMMISSION'S REGULATION D. THE COMPANY SHALL BE ENTITLED TO RELY ON THE ACCURACY OF THE REPRESENTATIONS BY INVESTORS IN THEIR SUBSCRIPTION AGREEMENTS AND OTHER WRITTEN REPRESENTATIONS TO THE COMPANY AS TO WHETHER THEY MEET THE QUALIFICATIONS OF AN "ACCREDITED INVESTOR."

THE COMPANY SHALL, IN CONNECTION WITH THE SECURITIES SOLD PURSUANT TO THIS OFFERING:

1. PLACE A LEGEND ON THE CERTIFICATES EVIDENCING THE SECURITIES STATING THAT THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE MICHIGAN UNIFORM SECURITIES ACT AND SETTING FORTH CERTAIN RESTRICTIONS ON RESALE;
2. ISSUE STOP TRANSFER INSTRUCTIONS TO THE TRANSFER AGENT, IF ANY, WITH RESPECT TO THE SECURITIES, OR, IF THE COMPANY TRANSFERS ITS OWN SECURITIES, MAKE A NOTATION IN THE APPROPRIATE RECORDS OF THE COMPANY; AND
3. OBTAIN A WRITTEN REPRESENTATION FROM EACH PURCHASER AS TO HIS QUALIFICATIONS AS AN "ACCREDITED INVESTOR" AND THAT THE SECURITIES WILL NOT BE SOLD BY SUCH PURCHASER WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS OR EXEMPTION THEREFROM.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF THE PERSONS INTERESTED IN THE PROPOSED PRIVATE PLACEMENT OF THE SHARES. ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY, IS PROHIBITED. THE OFFEREE, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN IT ALONG WITH ALL ENCLOSED, ATTACHED OR ACCOMPANYING DOCUMENTS TO THE COMPANY IF THE OFFEREE DOES NOT UNDERTAKE TO PURCHASE THE SHARES OFFERED PURSUANT TO THIS MEMORANDUM.

NEITHER THE DELIVERY OF THIS MEMORANDUM, NOR ANY SALES HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION IT CONTAINS WILL REMAIN CORRECT ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRU, AS LEGAL OR TAX ADVICE, THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY, ANY OF ITS OFFICERS OR MANAGERS, ANY FINDER, SALES AGENT, BROKER-DEALERS, OR ANY AFFILIATES OR EMPLOYEES OF THE FOREGOING.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

NO BROKER-DEALER, SALES PERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THIS OFFERING, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THIS IS A BEST EFFORTS OFFERING. THIS OFFER CAN BE WITHDRAWN AT ANY TIME BEFORE CONSUMMATION AND IS SPECIFICALLY MADE SUBJECT TO THE CONDITIONS DESCRIBED IN THIS MEMORANDUM. IN CONNECTION WITH THE OFFERING AND SALES OF THE SHARES, THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE TOTAL NUMBER OF SHARES APPLIED FOR BY SUCH INVESTOR.

SINCE THERE ARE SUBSTANTIAL RESTRICTIONS ON THE TRANSFERABILITY OF THE SHARES OFFERED HEREBY, EACH OFFEREE SHOULD PROCEED ON THE ASSUMPTION THAT HE OR SHE MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD. THE SHARES MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS. IN ADDITION, THE SHARES ARE NOT REGISTERED FOR SALE TO THE PUBLIC UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE. THE SHARES MAY BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY ANY INVESTOR ONLY IF, AMONG OTHER THINGS, REGISTRATION IS ACCOMPLISHED OR, IN THE OPINION OF COUNSEL TO THE COMPANY, REGISTRATION IS NOT REQUIRED UNDER SUCH LAWS. THE COMPANY HAS NO OBLIGATION AND DOES NOT PRESENTLY INTEND TO REGISTER THE SHARES. THERE IS AND WILL BE NO PUBLIC MARKET FOR THE SHARES.

THIS MEMORANDUM CONTAINS A SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS SUMMARIZED HEREIN AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, INVESTORS SHOULD CONSULT THE AGREEMENTS AND DOCUMENTS REFERRED TO HEREIN FOR THEIR EXACT TERMS. COPIES OF SUCH AGREEMENTS AND DOCUMENTS ARE EITHER ATTACHED HERETO OR WILL BE SUPPLIED UPON REQUEST IF SUCH

DOCUMENTS ARE AVAILABLE TO THE COMPANY AT REASONABLE EXPENSE AND EFFORT.

AN INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK; ACCORDINGLY, THIS OFFERING IS INTENDED ONLY FOR PERSONS WHO CAN AFFORD TO LOSE ALL, OR SUBSTANTIALLY ALL, OF THEIR INVESTMENT. PROSPECTIVE PURCHASERS OF SHARES SHOULD CAREFULLY CONSIDER, AMONG OTHER FACTORS, THE RISKS DESCRIBED IN THE "RISK FACTORS" SECTION OF THIS MEMORANDUM.

THE COMPANY WILL PROBABLY NOT BE REQUIRED TO FILE PERIODIC OR OTHER REPORTS WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY.

Sales Agent

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