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UNITED STATES OF AMERICA
Before the
SECURITES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17013

In the Matter of

Allen M. Perres, and
Willard R. St. Germain,

Respondents.

ALLEN M. PERRES BRIEF IN SUPPORT OF PETITION FOR REVIEW OF INITIAL DECISION OF ADMINISTRATIVE LAW JUDGE

John J. Gaines
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COUNSEL FOR
ALLEN M. PERRES

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
August 16, 2016

SECURITIES ACT OF 1933
Release No. 10124 / August 16, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 78596 / August 16, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17013

In the Matter of ALLEN M. PERRES	ORDER GRANTING PETITION FOR REVIEW AND SCHEDULING BRIEFS

Pursuant to Commission Rule of Practice 411,[1] the petition of Allen M. Perres for review of the administrative law judge's initial decision[2] is granted. Pursuant to Rule of Practice 411(d),[3] the Commission will determine what sanctions, if any, are appropriate in this matter.

Accordingly, IT IS ORDERED, pursuant to Rule of Practice 450(a),[4] that a brief in support of the petition for review shall be filed by September 15, 2016. A brief in opposition shall be filed by October 17, 2016, and any reply brief shall be filed by October 31, 2016.[5] Pursuant to

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1 17 C.F.R. § 201.411.

2 *Allen M. Perres*, Initial Decision Release No. 1022, 2016 WL 3162187 (June 7, 2016).

3 17 C.F.R. § 201.411(d).

4 17 C.F.R. § 201.450(a).

5 As provided by Rule of Practice 450(a), no briefs in addition to those specified in this schedule may be filed without leave of the Commission. Attention is called to Rules 150 – 153, 17 C.F.R. § 201.150 – 153, with respect to form and service, and Rules of Practice 450(b) and (c), 17 C.F.R. § 201.450(b), 201.450(c), with respect to content and length limitations. Requests for extensions of time to file briefs are disfavored.

Rule of Practice 180(c),[6] failure to file a brief in support of the petition may result in dismissal of this review proceeding.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Brent J. Fields
Secretary

By: Jill M. Peterson
Assistant Secretary

6 17 C.F.R. § 201.180(c).

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UNITED STATES OF AMERICA
Before the
SECURITES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17013

In the Matter of

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UNITED STATES OF AMERICA
Before the
SECURITES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17013

HARD COPY

In the Matter of

Allen M. Perres, and
Willard R. St. Germain,

Respondents.

ALLEN M. PERRES
BRIEF IN SUPPORT OF
PETITION FOR REVIEW OF INITIAL DECISION OF
ADMINISTRATIVE LAW JUDGE

On March 10, 2016 Allen M. Perres submitted a response (the "Perres Response") to the SEC Division of Enforcement Motion for Summary Disposition. On June 7, 2016, Administrative Law Judge Cameron Elliot ("ALJ") rendered an Initial Decision (the "Initial Decision") in the above captioned matter. Pursuant to the Initial Decision, the ALJ ordered that the Division's motion for sanctions against Allen M. Perres ("Perres" or "Mr. Perres") be granted barring Perres from associating with a broker, dealer, investment advisor, municipal securities dealer, municipal advisor, transfer agent, and nationally recognized statistical rating organization, and from participating in an offering of penny stock, including acting as any promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock; provided, however, that Perres may apply to become so associated after five years.

On July 15, 2016 Perres submitted a petition for review of Initial Decision of Administrative Law Judge which petition was granted on August 16, 2016 pursuant to Commission Rule of Practice 411.

This brief in support of the petition for review is filed under Commission Rule of Practice 450(a).

I. SUMMARY OF PETITION

Respondent Perres respectfully requests that the Securities and Exchange Commission (the "Commission") reconsider the imposition of a five (5) year banning him from any activity in the securities industry as set forth in the Initial Decision as unnecessarily oppressive, excessive and unwarranted under the facts of the case. For purposes of this Petition, the facts as adduced and as included in the OIP of December 21, 2015 are not controverted. Mr. Perres, however, contends that in applying the Steadman[1] public interest factors to the matter at issue, the Initial Decision did not fully consider the context and the circumstances of the violations. Although the Initial Decision fit the facts into the Steadman public interest criteria, it did so without regard to a consideration of the context and the circumstances surrounding Mr. Perres' actions.

II. BACKGROUND AND HISTORY

A) Summary of Facts

[1] Steadman v Securities and Exchange Commission 603 F2d 1126 (1979) sets forth the criteria the SEC must consider to determine the imposition of sanctions, "the egregiousness of the defendant's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the defendant's assurances against future violations, the defendant's recognition of the wrongful nature of his conduct, and the likelihood that the defendant's occupation will present opportunities for future violations." Supra at 1140.

A summary of the facts is essential to an understanding of Mr. Perres' reply petition. Mr. Perres joined Southern Cross Resources Group, Inc. (the "Company") in September 2013 as a consultant. At the time, management of the Company requested Mr. Perres to a) use his relationships to source institutional financing, b) create and sustain relationships with commodity owners (oil, natural gas, coal and other commodities) and brokers representing such owners and c) to attract professionals, other consultants and employees to the Company. See Perres Response at page 3. At the outset, Perres received assurances that he would become an employee of the Company and be paid at the rate of $5000 per month and be eligible for bonus and incentivized compensation. The promise of employment would have placed Mr. Perres in a position to accomplish the tasks he believed he had agreed to undertake. If the need arose, it also would have made him eligible to sell securities from time to time to investors under the exemption provided by Rule 3a4-1 promulgated under the Securities and Exchange Act of 1934. Mr. Perres was willing to assist the Company in selling securities as an employee provided that, by his request, he would not be separately compensated for any selling activities. See Perres Response at page 4.

Another factor must be considered in connection with Mr. Perres' affiliation with the Company. As the SEC staff discovered, Mr. Perres is not a wealthy man even though his career has been chiefly in marketing consulting in the financial industry. Please note from the information he provided to the SEC staff that Mr. Perres does not have a steady source of income and suffers from periodic and often lengthy reductions in his monthly income. He has borrowed extensively and is heavily in debt to family, friends and numerous credit card companies.

Accordingly, securing the consulting position with the Company in 2013 represented a steady, if modest, annual income to him with some future financial rewards if he were successful in carrying out the specific duties and responsibilities for which he was told that he was hired.

Mr. Perres accounted for in excess of 50% of the Company's overall commodities business. The Company's working interests in oil and gas properties in Illinois as well as its coal properties in Pennsylvania were sourced primarily by the efforts of Mr. Perres over an extended period and involved the vast majority of his time and effort with the Company. See Perres Response at Pages 3 and 4. He also achieved great success in accessing the services of a Mexican engineering firm for the Company's iron ore assets (which, per his insistence, agreed to hold its billing invoices until the Company achieved financial stability). Furthermore, he introduced the Company to commodities brokers, engineering firms and attorneys with specialized practices needed by the Company. These highly skilled experts included Mr. Richard Ehlert of EXP Engineering, and Mr. Philip Lazarsky who oversaw all of the Company's exploration and evaluation processes. Lastly, Mr. Perres brought in Mr. Glenn Peterson, who acted as the Company's accountant for over a year, into the Company as well. See Perres Response at page 4.

At the outset, management of the Company assured Mr. Perres he would be paid a monthly salary or stipend of $5000 per month and would become an employee within six months. He was also assured that since members of management personally intended to fund the Company during the startup phase, soliciting individual accredited investors would not be necessary. See Perres Response at page 4.

However, soon after joining the Company, management insisted that Mr. Perres speak to small investors on the Company's behalf. After much prodding, Mr. Perres reluctantly agreed to help out for a very limited period of time (3-4 months), provided that all elements of securities law disclosure and compliance would be met. See Perres Response at page 5.

In reality, Mr. Perres spent very little of his time (somewhat less than 25%) soliciting investors. He and management understood that the vast majority of his time would be spent in

undertaking the list of responsibilities for which he was hired. To Mr. Perres' dismay, his $5000 initial stipend was constantly deferred and postponed and, in fact, never paid. See Perres Response at page 5. The reality of Mr. Perres' situation was that management told him that the only way he would be paid for his services was to raise capital from individual investors.

B) Discussion

The fact scenario described above has all the elements of a classic "bait and switch" by management of the Company. Management knew Mr. Perres was very capable of achieving great success financially for the Company because of his broad and extensive 40-plus years of financial experience. They also knew that he was financially stressed and clearly needed the consulting assignment and the regular income that he would earn. Management of the Company, therefore, knew that if Mr. Perres could be enticed and persuaded to join them as a consultant with their empty promises, they could manipulate him to do their bidding on the one thing they needed most in the early stages of the Company's development- individual investor funds. When Mr. Perres repeatedly objected, they continued to restate the false promises and finally, after many months, conceded that he would be paid his monthly stipend at a later time but would have to rely on sales of securities to individual accredited investors for current income.

Mr. Perres was, therefore, faced with a difficult Hobson's choice: either play management's game, hopefully for a short period of time, or resign, leaving behind substantial compensation for all his other productive efforts achieved after many months. Because of his acute and deteriorating financial situation, he had no real alternative but to remain and do the Company's bidding in the hope that the Company's financial status would improve, allowing for him to be a regularly-paid employee who no longer had to sell Company securities to receive compensation. One should ponder carefully these facts and ask, what decision would most people make?

III. EXCEPTIONS TAKEN TO THE INITIAL DECISION.

A) Public Interest Factors

i. Recognition of Wrongful Nature of Conduct

Mr. Perres takes exception to the Initial Decision's conclusion "questioning the sincerity of Perres' assurances against future violations and his recognition of the wrongful nature of his conduct." See Initial Decision on page 5.

To the contrary, Mr. Perres' statements are a complete and contrite confession of his wrongdoing. "I felt this was practical because I needed to take responsibility for the careless actions of the company for which I worked, Southern Cross Resources Group, Inc., and for my lack of assertive action as I witnessed behavior which I believed was inappropriate but which I felt I could help improve." See Perres Response at page 2. Further, "when I saw the extent to which Southern Cross broke its commitments to me regarding stipend and/or salary, proper professional support and other failures of professionalism, I should have resigned. This was an unequivocal failure on my part and it is why I agreed to the fine" (emphasis added). See Perres Response at page 6. Further, Perres noted, "I did stay longer at Southern Cross than I should have and been more assertive about the improprieties I witnessed and fought against." See Perres Response at page 10.

The Initial Decision erroneously refers to several of Perres' other statements about the treatment he received from the Company as evidence "that his recognition of the wrongful nature of the conduct is lukewarm at best." See ALJ Decision at page 5.

His confession speaks for itself and needed no further explication or modification. Mr. Perres' remaining statements simply buttressed his overall argument that he was deceived, misled and lied to. Once Perres confessed his failure to resign and to take assertive action against the

Company, he had admitted his guilt. The rest of his statements is excess verbiage and not intended to shift blame which he has accepted, but to editorialize and point out the difficult circumstances in which he failed. Accordingly, Perres takes exception to the conclusion that Perres had not provided assurances against and recognition of misconduct.

ii. Assurances Against Future Violations

With the exception of the case at issue, Mr. Perres has not been involved in the securities business for over 12 years. He allowed his direct participation brokerage licenses to lapse in 2003 when he sold his business, Real Shares Inc. Although his work generally focuses on financial matters, he limits his activities to consulting for entities seeking institutional relationships with specific focus on sales and marketing consulting. This includes sourcing business development and vendor placement, including locating manufacturing and sales channels for various organizations. For instance, Mr. Perres is now working with a developer to locate institutional debt for a 160 unit apartment project; a five facility senior care project in North Carolina; and the purchase price for an office building in Des Plaines, IL. In addition, Mr. Perres devotes a significant amount of his 55-60 hour work weeks to locating manufacturing and sales channels. Mr. Perres is presently locating a manufacturer for a medical product and in another case attempting to locate an overseas marketing partner for a company. Also, his consulting resume also comprises writing business and marketing plans for smaller, entrepreneurial organizations. He has not been involved in any retail securities operations in his financial consulting for over twelve years and has no intention of doing so in the future because retail securities sales have never been a material aspect of his financial business. See Perres Affidavit as Exhibit A hereto. See also, Perres Response at page 7.

Moreover, one of Mr. Perres' major consulting activities is to advise and educate senior executives as well as lower level personnel in effective sales methods, including, for

example, how to lease apartment units for real estate brokerage firms. This has been a basic source of his income for over 35 years and will continue to be so. His consulting work with Southern Cross was intended to cover numerous corporate areas, but not including retail securities transactions. See Perres Response at page 3.

In conclusion, because selling securities, whether retail or otherwise, has not constituted a factor in Perres' business for the past twelve years, it will not be such on a going-forward basis. As described above, he was basically compelled to sell retail securities in his position as a corporate consultant to Southern Cross. Accordingly, his case should be contrasted favorably with other factual situations which clearly necessitated long-term sanctions for remedial purposes. See, for example, Ronald S. Bloomfield, Securities Act Release No 9553, 2014 WL 768828 (Feb 27, 2014) (where the defendants neither recognized the wrongful nature of their conduct nor offered assurances against future violations) and; Kenneth C. Meissner, Release No 768, 2015 WL 1534398 (April 7, 2015) (where Meissner continued to have the same opportunities to sell securities as he did previously, and his occupation clearly presented opportunities for future violations.)

B) Public Interest Factors – Scienter and Egregious Behavior

Mr. Perres takes exception to the conclusions in the Initial Decision that his actions rose to the level of scienter and were indicative of "egregious" behavior. Mr. Perres' actions did not come remotely close to the definition of "egregious behavior."[2] Under federal securities law, scienter is defined as "a mental state" embracing intent to deceive, manipulate or defraud. SEC v Rubera 350 F2d. 1084, 1094 (9th Cir 2003), citing Ernst & Ernst v Hochfelder, 425 US 185, 96 SCT. 1375, 47 L. Ed 2d 668 (1976).

[2] Egregious is defined as "shocking," "appalling," "outrageous" and "outstandingly bad."

Further, the Commission in assessing sanctions must, as a matter of law, consider the degree of scienter involved (emphasis added). SEC v Bonastia, 641 F2d. 908, at 912; SEC v Universal Manor Industries Corp., 546 F2d. 1044, 1048 (2nd Cir 1976); cert. denied, 434 US 834 98 S. Ct. 120, 54 L. Ed 2d 95 (1977).

In this case, the Initial Decision fails to take into account the mitigating factors in Mr. Perres' case which included the Company's malicious and dishonest conduct which, in effect, forced and compelled Mr. Perres to perform in an area in which he had limited professional experience and in which he had no business interest. Although a rescission offer was initially conceived in theory by management, Perres spearheaded the Company's effort to make the rescission offer to investors despite management's prolonged foot-dragging on the issue. At the very worst, Perres' actions should have been characterized as isolated and negligent violations. See Steadman v SEC 603 F2d 1126, 1141 (5th Cir. 1979). However, when a person is, in effect, compelled to take action regarding which he has no choice, his conduct should not be considered rising to the level of scienter required by the law for the imposition of severe sanctions or sentences.

In this case and as more fully explained above, Mr. Perres had diminished personal responsibility for his actions because of his critical personal financial situation and the repeated ultimately false assurances made by management of the Company that his admonitions concerning the Company's course of conduct would be heeded and the Company would comply with securities law requirements and, more importantly, at some point relieve him of his duties to raise capital and pay him for the performance of the duties for which he was hired. These factors apply in this case with equal weight and substance contrary to the conclusion in the Initial Decision that Mr. Perres' actions were "egregious," which factually and legally they absolutely were not.

The fact that he knew the basics of securities law as a financial professional is used unfairly against him in the Initial Decision and completely overlooks the circumstances under which Mr. Perres was, in effect, coerced to do things "for a short time" until the Company could deliver on what ultimately proved to be false promises to him.

Further, there is another factor which should be considered whether Perres acted "egregiously" and whether the proposed sanctions are reasonable. That crucial factor is the unwavering cooperation with which Mr. Perres assisted the Division staff in providing all information requested in a timely and entirely truthful manner. The Division never made any reference in its Summary Disposition regarding Mr. Perres' cooperation with the Division as a mitigating factor in assessing the fairness of its recommended sanctions. Mr. Perres' honest and truthful conduct with the SEC should be contrasted with the behavior exhibited by the defendant in Gary M. Kornman, Exchange Act Release No 59403 2009 WL 2297418 (Oct. 12, 2004) (where defendant's egregious behavior was compounded because he made false statements to the Commission staff during the investigation, which resulted in permanent bar against him from participating in the securities industry). See also, Schield Management Co., Exchange Act Release No 53201, 2006 WL 23142 (Jan 31, 2016) (where defendant Schield deleted emails, furnished staff with different and inconsistent versions of requested IP logs that were incomplete and inaccurate and destroyed and withheld documents relating to client and advisor PINs). The Commission concluded that the failure to cooperate with a Commission examination constituted "serious misconduct justifying strong sanctions." Schield Management Co. at page 15.

A sanction should be upheld unless it is "unwarranted in law or... without justification in fact." Butz v Glover Livestock Common Co. 411 US 182, 186-187 (1973), ID at 185-186, quoting American Power v SEC; at 329.

Therefore, Mr. Perres takes exception to the conclusion in the Initial Decision that he acted with scienter and conducted himself in an egregious manner.

C) Public Interest Factors – Likelihood Respondent's Occupation Will Present Opportunities for Future Violations

Mr. Perres takes exception to the conclusory statement in the Initial Decision that "it is therefore likely that his occupation will present opportunities for future violations." The fact that Mr. Perres is a financial professional is certainly a factor weighing whether sanctions are appropriate, but in predicting the likelihood of future violations, a court must assess the totality of the circumstances surrounding the defendant and his violations. See SEC v Fehn 97 F3d 1276, (1996). However, the mere fact that Perres' continued activity will be in the financial industry, standing by itself, is insufficient in the absence of factual support to justify the conclusion that he will likely violate the securities laws in the future. See SEC v Murphy 626 F2d 633, 655 (9th Cir. 1980). Accordingly, taking into account the Initial Decision's failure to cite any facts to support a conclusion that future violations are likely, to state that past misconduct alone rises to an inference of future misconduct is insufficient to support severe sanctions. See statement in "Exceptions Taken to the Initial Decision, Assurances against Future Violations" above and Perres Affidavit at Exhibit A hereof.

Moreover, what the Initial Decision completely glosses over in banning Mr. Perres, a 69-year-old man with uncertain job opportunities and skills outside the financial industry, is his 40-plus year unblemished record of compliance and good behavior in the financial and securities industries. [3]Mr. Perres operated as the principal of Real Shares, Inc., an NASD licensed broker-

[3] The Initial Decision of ALJ Elliott at footnote 1 makes it clear that the 1975 sanction issued against Perres because of its age was not helpful to the public interest determination. See also Alan E. Rosenthal, in which the record had no evidence of either prior or subsequent disciplinary history. 53 SEC 767 (1998)

dealer which marketed direct participation securities over twenty years ago. Mr. Perres earned his principal and sales licenses and ran a successful and fully compliant operation for over ten years that had no investigations or alleged violations during that period. See Perres Response at page 2 and page 7. Further, over the last forty years, Mr. Perres has acted as a financial consultant and advisor to a multitude of corporations, large and small, has functioned as a fully licensed real estate broker and sales and marketing lecturer and has earned an impeccable and unblemished reputation for honesty, integrity and professional competence in his chosen professional field. Had he acted as the untrustworthy person that the Initial Decision makes him out to be, he would have been eradicated from the business by his clients and peers many years ago. His reputation has been built over more than 40 years, and for the Initial Decision to brand him as a likely recidivist gives absolutely no credibility to his lifetime reputation of law abiding compliance, integrity, honesty and competence in the finance industry. See Perres Affidavit as Exhibit A hereto.

IV. CONCLUSION

Mr. Perres takes exception to the Initial Decision in applying the Public Interest Factors by failing to take into consideration the context and circumstances of Mr. Perres' duties and conduct with the Company. Accordingly, in our opinion the Initial Decision did not support the five-year sanction "with reliable, probative and substantial evidence." Steadman v SEC, 630 F2d. 1126 (5th Cir 1979). The imposition of sanctions requires a full exploration of the need therefor. Supra, at 1140.

Although the Initial Decision takes great pains to describe the conduct which the Initial Decision attempts to fit neatly into the Steadman criteria, it totally ignores virtually all of the surrounding facts and essential circumstances which explain Mr. Perres' actions. As a result, the

Initial Decision did not follow the well-established rule that an agency must adequately explain its decisions. See PAZ Securities, Inc v SEC, 494 F3d 1059 at 1065 (2007).

Further, in order to impose the sanctions imposed in the Initial Decision, the SEC must show "why less severe action would not serve to protect investors." Supra, 494 F3d at 1065 quoting Steadman, 603 F2d at 1137. In this regard, the sanctions must be remedial based on the facts and not be excessive or oppressive.

On the basis of all the facts and circumstances and for the several reasons described in detail above, it is respectfully requested that the SEC reduce the proposed sanction from a five (5) year ban to a twelve (12) month suspension. In our considered opinion, the recommended suspension more closely matches the facts of this case to the remedial purposes of the relevant statutory authorities. See Alan E. Rosenthal, 53 SEC 767, 770-71 (1998) where under Steadman analysis, the Commission declined to impose the penny-stock ban because such ban would not serve a remedial purpose.[4]

In conclusion, it is respectfully submitted that because the Initial Decision has not met the burden of the preponderance of evidence required to meet the enumerated public interest factors in Steadman, the five-year sanction imposed by the Initial Decision should be modified to a one year suspension on the basis that it is excessive and oppressive and should be mitigated based on the totality of the circumstances of Mr. Perres' case.

[4] There are numerous other instances in which the Commission has imposed a lesser sanction in light of mitigating factors, including but not limited to, defendant's willingness to voluntarily cooperate with the SEC's investigation. Leo Glassman, 46 SEC 209, 211 (1975); and Raymond v. Dirks, 47 SEC 434, 448-49 (1981); affd 684 F. 2d 801 (DC Cir 1982), rev'd on other grounds, 463 US 646 (1983), where sanctions were reduced to a censure because (among others) Dirks assisted the staff in obtaining the facts and told the full truth and because of Dirks' unblemished record in the securities industry; James Harvey Thornton 53 SEC 1210, 1217 (1999) finding that it was unlikely that respondent would commit fraud or enter the penny stock industry in the future; affd, 199 F. 3d440 15th Cir.

CERTIFICATE OF SERVICE

I, John J. Gaines III, counsel for Allen M. Perres, hereby certify that on the 14th day of September, 2016, I faxed and/or emailed a copy of the foregoing document:

Allen M. Perres Brief in Support of Petition for Review of Initial Decision of Administrative Law Judge

to the following parties:

a) Administrative Law Judge Cameron Elliot
Email: ALJ@SEC.gov
Fax: 202-777-1031

b) Secretary of the Commission
Fax: 703-813-9793

c) Anne C. McKinley, SEC Division of Enforcement
Email: McKinleyA@SEC.gov
Fax: 312-353-7398

d) Emily D. Rothblatt, Esq., SEC Division of Enforcement
Fax: 312-353-7398

A manually signed copy of the Brief in Support of Petition for Review was sent to the Secretary of the Commission by FedEx courier for delivery on September 15, 2016.s

Where an email address was available, that means was used in addition to the fax number.

John J. Gaines III, counsel to Allen M. Perres

We respectfully request, therefore, that the Commissioner reverse the proposed five year ban set forth in the Initial Decision and in lieu thereof reduce the sanction to a twelve (12) month suspension from the activities enumerated in the SEC order.

Dated: September 14, 2016

Respectfully submitted by:

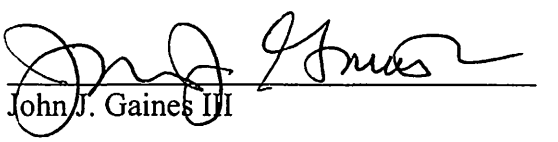

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EXHIBIT A

UNITED STATES OF AMERICA
Before the
SECURITES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17013

In the Matter of

Allen M. Perres, and
Willard R. St. Germain,

Respondents.

AFFIDAVIT OF ALLEN M. PERRES

1) The undersigned, Allen M. Perres, states on oath as follows:

2) I have personal knowledge of the facts set forth herein and could testify to the same if called as a witness at any proceeding.

3) I have two general job functions. My consulting practice constitutes advising and educating sales organizations from C-level executives to salespeople. I have maintained this practice for over 35 years and at times, it has been my full time work while at other times it may be as low as 20% of my time.

4) My second function, which has, from time to time, occupied up to 90% of my time and effort, is to source and service entrepreneurs seeking debt and marketing advisory services for specific real estate projects. Currently, for example, I am working on sourcing long term institutional debt for the following individual projects: i) a 160 unit apartment project (new construction), ii) a five facility senior care project in North Carolina and iii) access the purchase price for an office building in Des Plaines.

5) I am also involved in business development and vendor placement. Presently, I am working on locating manufacturing and sales channels for several companies. In one case, I have located a manufacturer to produce a medical product and for another, I am trying to locate overseas marketing partners.

6) Other business functions include writing business and marketing plans and other business proposal documents for clients.

7) In the last eighteen (18) months, I have not sourced investors for the purchase of retail securities and have no intention of doing so for the foreseeable future.

Allen M. Perres

State of Illinois, County of Cook ss. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HERE BY CERTIFY that Allen M. Perres, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed said instrument as his free and voluntary act, for the uses and purposes therein set forth.

(*Impress Seal Here*)
(*My Commission Expires* _____)

OFFICIAL SEAL
JOHN J GAINES III
Notary Public - State of Illinois
My Commission Expires Oct 10, 2017

Given under my hand and official seal

Notary Public

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Administrative Proceeding
File No. 31-17013

September 14, 2016

To Whom It May Concern:

Please find enclosed the Brief in Support of a Petition for Review ("Petition") together with a Notice of Appearance for filing on behalf of Allen M. Perres. Mr. Perres requests that the Securities and Exchange Commission (the "Commission") review the ALJ's Decision rendered in the above captioned matter.

A Petition initially was filed on July 26, 2016 with the Commission and on August 16, 2016 the Petition for review of the administrative law judge's initial decision was granted. A copy of the Commission's Order is attached.

The undersigned respectfully submits the Brief in Support of a Petition for review by the Commission. Please direct any questions to the undersigned.

Very truly yours,

John J. Gaines III