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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 OPPOSITION TO THE DIVISION OF ENFORCEMENT'S BRIEF OPPOSING PETITION FOR REVIEW

John J. Gaines III
Gaines & Pujlic Ltd.
10 South LaSalle Street
Suite 3500
Chicago, IL 60603

COUNSEL FOR
ALLEN M. PERRES

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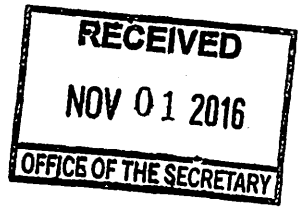

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On March 10, 2016 Allen M. Perres submitted a response (the "Perres Response") to the SEC Division of Enforcement Motion for Summary Disposition. On June 7, 2016, Administrative Law Judge Cameron Elliot ("ALJ") rendered an Initial Decision (the "Initial 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. On September 14, 2016 Perres submitted a brief in support of the petition for review of the Initial Decision of Administrative Law Judge.

Finally, on October 17, 2016 the Division of Enforcement filed its brief ("Division Brief" or the "Brief") in opposition to Respondent Allen M. Perres' Petition for Review.

This brief in support of the Petition for Review is filed under Commission Rule of Practice 405(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 sanction banning him from any activity in the securities industry as set forth in the Initial Decision and as requested to be affirmed in the Division's Brief as unnecessarily oppressive, excessive and unwarranted under the facts of the case. Mr. Perres respectfully contends that in applying the Steadman[1] public interest factors to the matter at issue, neither the Initial Decision nor the Division's Brief fully considered the context and the factual circumstances of the violations. Although the Initial Decision fits 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.

[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.

II. SUMMARY OF THE PETITION AND INITIAL STATEMENT

The Division argues in its Brief that Perres' Petition for Review does not identify any evidence or issue that undermines the ALJ's conclusions in its Initial Decision. The Division's position on this matter is a study of legal myopia and agency intractability. The failure or refusal to consider the surrounding and underlying facts and circumstances in assessing sanctions permits the Division to avoid the reality of dealing with facts that do not comport with its narrative. The Division argues unconvincingly that if it places enough of the Steadman[2] legal pegs in the right places, its legal responsibility to the investment public is satisfied notwithstanding an entire host of facts that should be rightfully considered in determining the fairness of the sanction. See McCarthy v SEC, 406 F3d 179 (2nd Cir Court of Appeals 2005) for the proposition that an agency sanction must be supported by a meaningful statement of "findings and conclusions, and reasons or basis therefor, on all the material issues of facts, law or discretion presented on the record" citing Reddy v Commodities Future Trading Commission 191 F3d 109, 124 (2nd Cir 1999). Accordingly, the Commission should reduce the Division's requested collateral ban of Perres for five years and mitigate it to a one year suspension which would more fairly comport with the facts.

III. BACKGROUND AND HISTORY

A) Summary of Facts

A summary of the facts is essential to an understanding of Mr. Perres' 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,

[2] Steadman v SEC, 603 F2d 1126 (5th Cir 1979)

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, because of 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 also brought in Mr. Glenn Peterson, who acted as the Company's accountant for over a year. 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 from management, 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 element they needed most in the early stages of the Company's development- raising individual investor funds. When Mr. Perres repeatedly objected, they continued to restate the false promises and finally, after many months, management assured that he would be paid his monthly stipend at a later time but he 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 in Mr. Perres' situation make?

IV. ARGUMENT

The Commission should amend and modify the ALJ's Initial Decision and the excessive and unjustifiable sanction sought to be imposed at the request of the Division. The Division describes Perres' Petition for Review as including "numerous unsubstantiated and self-serving justifications for his misconduct as disputing the validity of the findings in the OIP." Perres does not dispute the statements to which he agreed in the OIP. Those statements are unqualified findings of fact which for the limited purpose of the OIP have been accepted. What Perres does not accept, however, is the ALJ's and Division's refusal to consider the context of the underlying facts and circumstances in assessing a fair and reasonable sanction. The fact that Perres executed the OIP by itself does not prevent him from objecting to the sanction to be assessed. As in all cases of judicial administration, the sanction or penalty must be considered separately from the conduct constituting the basis for the OIP. See generally, McCarthy v SEC, supra; Arthur Lipper Corp v SEC 574 F2d 171 (2nd Cir 1976); Saad v Securities and Exchange Commission, No. 10-1195 (D.C. Cir 2013). Hence, the rationale for bifurcating the finding of violations from the sanctioning procedures in any adjudicatory process.

Further, the Division apparently considers any attempt to shed light on the surrounding context of the facts of Mr. Perres' conduct as prima facie "self-serving justifications." The Division's position statement, if accepted, basically precludes any SEC defendant from making any mitigating statement in his favor because by its definition the Division would consider it "self-serving" because it runs contrary to the Division's narrative. In effect, the Division's intractable position refuses to consider any of the above facts that might have a negative impact on the Division's recommendation.

Instead of allowing the facts and circumstances of Mr. Perres' defense to be given appropriate weight, the Division finds it more convenient to its conclusory narrative to simply label Mr. Perres' assertions as "self-serving justifications," a position which is itself a conclusion without factual support. As any prosecutor knows, factual context is crucial, particularly in assessing a sanction which has such long term negative effects on Mr. Perres' ability to make a living.[3] See McCarthy v SEC 406 F3d 179 (2nd Cir 2005); Saad v SEC 10-1195, (D.C. Cir 2013)

V. THE DIVISION'S PUBLIC INTEREST ARGUMENT

Mr. Perres has admitted in the OIP to the securities law violations stated therein. What Perres objects to is the severity and punitive nature of the proposed sanction in light of the facts of this case. Mr. Perres will counter each of the arguments set forth in the Division Brief in opposition and demonstrate persuasively that the Division's request to impose a five-year sanction is grossly unfair and runs counter to the facts.

It is also worthy to note that the Division's Brief cites several cases in which the sanctions involved collateral bars of three years and not five years as in the present case. See: Division Brief page 6 citing In the Matter of Joseph A. Padilla, Exchange Act Release No. 66683, 2012 WL 1066120 (March 29, 2012); In the Matter of Gary J. Yocum, Exchange Act Release No. 66682, 2012 WL 1066119 (March 29, 2012).

VI. PERRES' CONDUCT WAS NOT EGREGIOUS

The Division refuses to consider the factual context of Mr. Perres' actions. In his Response to the Division's Motion for Summary Disposition ("Response"), Perres argues persuasively that although he warned management of the Company that he needed to become an employee to

[3] The imposition of a five year SEC order would have a detrimental effect on Mr. Perres' reputation and ability to obtain employment outside the securities industry.

comply with laws and regulations, he was virtually compelled to speak to small investors in spite of his concerns (Response at page 4). He also demanded from the Company an agreement that his engagement to sell would be brief (3-4 months), that he would not solicit people with whom he did not have a prior existing relationship, that proper documentation be prepared, and that he become an employee of the Company (Response page 5). Perres also noted that the Company orally agreed to these terms and promised they would be finalized in writing. None of the promises were ever met, however, thus frustrating Mr. Perres' efforts to attempt to comply with applicable legal requirements. The obvious fact of the coercion exerted by the Company against Mr. Perres is evidently not considered by the Division as a mitigating circumstance in recommending the sanction against Perres.

Another factor should be considered whether Perres acted "egregiously" as the Division Brief contends. That crucial fact is the unwavering cooperation with which Mr. Perres assisted the Division staff in providing information requested in a timely and entirely truthful manner. The Division has never made any reference in its Brief or other petitions regarding Mr. Perres' cooperation with the Division as a mitigating factor in assessing the fairness of its recommended sanction. 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 an inconsistent version 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 vs 182, 186-187 (1973), ID at 185-186, quoting American Power & Light v SEC, 329 US 90 (1946).

Accordingly, Mr. Peres' actions should in no way be considered "egregious" under any definition of that word[4], and he takes exception to the conclusion set forth in the Division's Brief.

VII. PERRES DID NOT ACT WITH SCIENTER

Under federal securities law, the Commission in assessing the reasonableness of sanctions must, as a matter of law, consider the degree of scienter involved. SEC v Bonastia, 641 F2d. 908; SEC v Universal Manor Corp., 546 F2d. 1044, 1048 (2nd Cir 1976); cert. denied, 434 US 834 98 S. Ct. 120, 54 L. Ed 2d 95 (1977). "Scienter" for purposes of federal securities law is defined as a "mental state enhancing 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).

At the worst, Perres' actions should have been characterized as isolated and negligent violations. See Steadman v SEC, 603 F2d 1126, 1140 (5th Cir 1979).

Again, the Division in its Brief disregards the factual context of Mr. Perres' actions. As stated above, in good faith he warned management of the Company of the legal problems he had with selling its securities in the absence of being an employee. Repeatedly, he was told and lied to that employment would be forthcoming and that the Company would relieve him of those duties

[4]Egregious is generally defined as "shocking," "outrageous" and "outstandingly bad."

and allow him to pursue those tasks for which he had been hired. (Response at page 5). The coercion and the compulsion factors are not fairly considered by the Division when assessing culpability and the element of scienter. Further, any statements Perres makes in his defense are dismissed as "self-serving and unsupported statements," as if to say if those statements disagree with the Division's narrative, they must, of necessity, be described as "self-serving" and, therefore, rendered meaningless or irrelevant. Fortunately, we live in a real world where facts do matter and the labels created by the Division can be reasonably dismissed as themselves "self-serving" and produced as a convenient way to dismiss the facts, circumstances and the context of the violations to which Perres has admitted (Response Page 2).

The Division also fails to take into consideration Mr. Perres' long-term compliance with federal securities laws in his capacity as president of a registered broker-dealer and, in fact, even makes passing reference to a minor securities violation occurring over 41 years ago, which the ALJ dismissed "particularly in view of its age not helpful to the public interest determination." ALJ Initial Decision, June 7, 2016.

In this connection, in SEC v McCarthy, the 2nd Circuit Court states, "the record contains mitigating facts and circumstances from which a compelling argument can be made that suspending McCarthy now will not serve remedial interest and will work an excessive and punitive result, namely the destruction of the brokerage practice he has built through several years of law abiding trading." As a result, the mitigating facts and circumstances must be considered in assessing the reasonableness of the sanctions. See also, Reddy v Commodities Future Trading Commission, 191 F3d 109 (2nd Cir 1995). ; Saad v Securities and Exchange Commission, No 10-1195 (D.C. Cir 2013).

VIII. PERRES HAS RECOGNIZED THE WRONGFUL NATURE OF HIS CONDUCT AND MADE SINCERE ASSURANCES AGAINST FUTURE VIOLATIONS

The Division's statements regarding Perres' assurances conflict with the statements made by Perres in the OIP. The Division cites Perres for the statement that he "claimed that he only spoke to small investors for a very limited period of time (3-4 months). This statement is incorrect and conflicts with the actual Perres' quote. Perres actually said the following.

"After much prodding, Mr. Perres reluctantly agreed to help out for a very limited period of time (3-4 months)" (emphasis added). The quotation from Mr. Perres Response at page 5 is very clear in referring only to his agreement at the beginning of his relationship with the Company. Further, "My agreement to speak with small investors was under the following terms: a) that it be for a short time (no longer than 3-4 months)." Response at page 5. Clearly, Mr. Perres was not attempting to revise the OIP but simply to provide context to the agreement he had made with the Company.

Additionally, the Division's other assertions regarding "The Company's malicious and dishonest conduct... forced and compelled [him] to perform in an area in which he had limited professional experience ..." are presented as attempts by Perres to disclaim and diminish the facts to which he consented in the OIP. They are in reality statements of the factual circumstances and context in which Mr. Perres was compelled to act. They are not statements which try to rewrite or disclaim the OIP, and, therefore, contrary to the Division's Brief, do not represent attempts by Perres to shift the blame. Perres' statements should not, therefore, call into question the sincerity of his assurances against future violations or the degree to which he recognizes his misconduct.

IX. ASSURANCES AGAINST FUTURE VIOLATIONS

Mr. Perres also takes exception to the Division's Brief which brings into question the sincerity of Perres' assurances against future violations and the degree to which he recognized his misconduct.

To the contrary, Mr. Perres' statements in his response 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). 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.

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 remainder 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.

The Division's cynical evaluation of Mr. Perres' signed affidavit of his future business conduct by the Division should be dismissed in its entirety. By his affidavit, Mr. Perres promised that he is willing to go under oath to testify to the facts set forth therein and the Commission should honor it as such instead of dismissing it out of hand without any valid reason stated therefor. See Exhibit A hereto.

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 present occupation 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. 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 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 twenty 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 the Company 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 meaningful 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 the Company. 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).

X. CONCLUSION

The Division fails in all respects to take into consideration the factual context and circumstances of the coercive and manipulative work environment under which Mr. Perres was compelled to operate with the Company. In this regard, the Division's Brief recites in very general terms the reasons why Perres' conduct is illegal. The Division employs standardized, canned reasons for the sanction apparently borrowed from other cases involving different violations, circumstance and other mitigating factors. See McCarthy v SEC, 406 F3d 179 (5th Cir 2005) citing In Richard Kwiatkowski, Exchange Act Release No. 48, 707, 81 SEC Docket 1385, 2003 WL 22438810, at 8 (Oct 28, 2003); Saad v. Securities and Exchange Commission, No. 10-1195 at page 16 (D.C. Cir 2013). McCarthy v SEC requires the Commission in imposing a sanction to provide

explanation addressing the nature of the violation and the mitigating factors presented in the record. "General reasons why conduct is illegal is not responsive to mitigating facts and circumstances, do not address the remedial and protective efficacy of the chosen sanction, and do not provide a reasoned basis from which one can conclude that the decision is not arbitrary and therefore constitutes an abuse of discretion." Supra at pages 178, 179.

Therefore, in our opinion, the Division did not support the five-year sanction "with reliable, probative and substantial evidence." Steadman v SEC, supra. The imposition of sanctions requires a full exploration of the need therefor. Supra at 1140. Because the Division has not addressed potentially mitigating factors, in our view it has abused its administrative discretion. Saad v SEC, supra. In addition, the Division's Brief did not follow the well-established rule that an agency must adequately explain the decisions. See PAZ Securities, Inc. v SEC, 494 F3d 1059 at 1065 (2007). Further, in order to impose the sanctions requested, the Commission must show "why less severe action would not serve to protect investors." Supra, 494 F3d at 1065 quoting Steadman, 602 F2d at 1137. In this regard, the sanctions must be remedial based on the facts and not be excessive or oppressive.

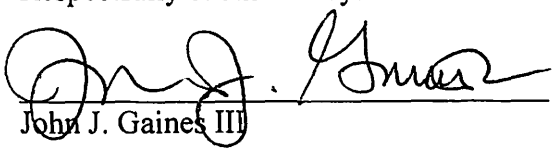
In conclusion, it is respectfully submitted that because the Division has not met the burden of the preponderance of evidence required to meet the enumerated public interest factors in Steadman, the five year sanction requested by the Division should be modified and reduced on the basis that it is excessive and oppressive and should be mitigated based on the totality of the facts and circumstances of Mr. Perres' case. 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.[5]

[5] 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

We respectfully request, therefore, that the Commission deny the proposed five year ban request in the Division's Brief and in lieu thereof reduce the sanction to a twelve (12) month suspension of Mr. Perres' activities as enumerated in the OIP.

Dated: October 31, 2016

Respectfully submitted by:



John J. Gaines III

Gaines & Puljic, Ltd.
10 South La Salle Street, Suite 3500
Chicago, IL 60603

Telephone: 312-606-0700
Fax: 312-606-00

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.

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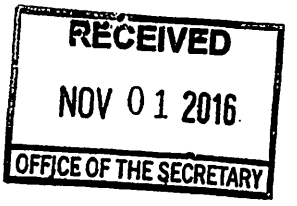
EXHIBIT A



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Respondents.

October 31, 2016

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 10/31/14