

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58531 / September 12, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13189

In the Matter of

Donald H. Allen,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Donald H. Allen (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Donald H. Allen is the president, chief executive officer, and sole stockholder of American Energy Resources Corp. ("AER"), and the president and sole stockholder of H&M Petroleum Corp. ("H&M"). Allen has never registered as a broker-dealer or been associated with a registered broker-dealer. Allen, age 48, is a resident of Colorado Springs, Colorado.

2. On September 2, 2008, a final judgment was entered by consent against Allen, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. American Energy Resources Corp., H&M Petroleum Corp., and Donald H. Allen, Civil Action Number 08-cv-01847-REB-BNB, in the United States District Court for the District of Colorado. The order required Allen, AER, and H&M to jointly and severally pay \$510,000 of disgorgement to the registry of the court and distribute the funds to investors.

3. The Commission's complaint alleged that, between March 2002 and December 2006, AER and H&M, through Allen, raised approximately \$9.9 million from at least 355 investors nationwide through a series of unregistered offerings of fractional interests in oil and gas wells. The complaint further alleged that Allen, AER, and H&M, made material misrepresentations or omissions to investors regarding the use of investor funds, the companies' records of successful oil and gas projects, the companies' investments of their own capital in the projects, and the projected returns of the investments. The complaint also alleged that Allen engaged in unregistered sales of securities and acted as an unregistered broker-dealer in connection with those sales.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Allen's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Allen be, and hereby is, barred from association with any broker or dealer, with the right to reapply for association after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served

as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Florence E. Harmon
Acting Secretary