

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY ACTION NO. 2010-AH-043**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

ALLIED ENERGY, INC.

RESPONDENT

AGREED ORDER

I. FACTUAL FINDINGS

1. The Department of Financial Institutions (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (“KRS”) Chapter 292, the Securities Act of Kentucky (the “Act”), as well as any applicable rules, regulations and Orders entered pursuant to the Act.

2. Allied Energy, Inc. (“Allied Energy”) is a Florida corporation whose principal office is located at 2800 Griffin Drive, Bowling Green, KY 42101. Allied Energy is doing business in the Commonwealth of Kentucky through its issuer agents.

3. Pursuant to the authority granted by KRS 292.460, the DFI conducted an investigation of Allied Energy on February 8, 2010. The DFI also issued a subpoena requiring Allied Energy to produce certain documents.

4. Based upon the investigation and the review of the documents produced by Allied Energy, the DFI determined that Allied Energy employed twenty-two (22) unregistered issuer agents during 2009.

II. LEGAL CONCLUSIONS

5. KRS 292.330(1) states in relevant part; “It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered.”

6. The DFI has determined that Allied Energy violated KRS 292.300(1) by employing twenty-two (22) unregistered agents in 2009.

7. KRS 292.470 provides that the Commissioner may, among other remedies available, assess a fine against any person who appears to the Commissioner to have engaged in any act or practice constituting a violation of the Act or any rule or order thereunder.

III. AGREEMENT

8. Allied Energy neither admits nor denies the Findings of Fact and Legal Conclusions set forth herein. In the interest of economically and efficiently resolving the matter described herein, the DFI and Allied Energy agree as follows.

a. Allied Energy agrees to pay a fine in the amount of fifty thousand dollars (\$50,000). This fine shall be made payable to the “Kentucky State Treasurer” and mailed to the Department of Financial Institutions, Attn: Simon Berry, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601. Allied Energy shall pay twenty-five thousand dollars (\$25,000) simultaneously with the execution of this Agreed Order and twenty-five thousand dollars (\$25,000) thirty days from the entry of this Agreed Order

b. Allied Energy, its successors, affiliates, controlling persons, and officers are permanently enjoined from employing an agent unless the agent is registered in accordance with the Act; and

c. Allied Energy, its successors, affiliates, controlling persons, officers, agents, and employees shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 10.

9. The DFI agrees to register Frank Morones, John Bernier, and Andrew Flowers as agents on the condition that for two years from the entry of this Agreed Order Allied Energy shall:

a. Disclose in all of its private placement memorandums created on or after the date of entry of this Agreed Order, all orders entered against its agents that fall within the parameters of KRS 292.330(13)(a)6. Each such disclosure shall clearly identify the name of the agent subject to the order;

b. Provide the DFI with a copy of every private placement memorandum, operating agreement, and subscription agreement (collectively "offering documents") for all offerings undertaken on or after the date of entry of this Agreed Order prior to the first sale of each such offering provided that Allied Energy shall in no way be required to obtain prior approval of the DFI before disseminating such offering documents unless required to do so by federal or state law;

c. Provide the DFI the subscription agreement for each sale made by Morones, Bernier, and/or Flowers on or after the date of entry of this Agreed Order and the suitability information for each investor. This

information shall be provided to the DFI within fifteen (15) calendar days of the sale; and

d. Disclose all verbal and written complaints received from offerees and investors about Morones, Bernier and Flowers within three (3) business days of Allied Energy's receipt of the complaint.

10. Allied Energy affirms that from January 1, 2010 to the date of entry of this Agreed Order it has not employed any individuals who have served in any capacity as an issuer agent for the company without that individual being duly registered by the DFI.

11. Allied Energy waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order.

12. Allied Energy's execution of this Agreed Order is not to be construed in any way as an admission of liability on its part that it engaged in any violation of the Securities Act of Kentucky regarding the registration of agents, whether intentional or otherwise.

13. Allied Energy agrees and understands that a violation of this Agreed Order shall constitute a separate violation and shall not be construed as resolved by this Agreed Order.

14. Allied Energy consents to and acknowledges the jurisdiction of the DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

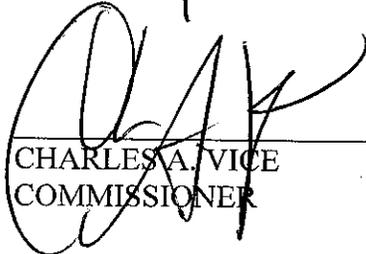
15. In consideration of the execution of this Agreed Order, Allied Energy, for itself, and for its successors and assigns, hereby releases and forever discharges the

Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Allied Energy ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

16. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

17. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 28 day of May, 2010.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 17 day of May, 2010.

This 25 day of May, 2010



Shonita Bossier, Director
Division of Securities
Department of Financial Institutions



Allied Energy, Inc. by Steve Stengell
its President

ACKNOWLEDGEMENT

STATE OF Kentucky)
)
COUNTY OF Warren)

On this the 25 day of May, 2010, before me Angela Stokes, the undersigned, **Steve Stengell**, did personally appear and acknowledge himself to me as the President of Allied Energy, Inc., and that being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: February 14, 2012

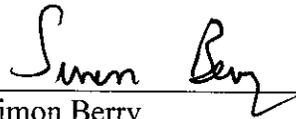


Notary Public

I hereby certify that a copy of the foregoing **Agreed Order** was sent by certified mail, return receipt requested, on this the 1st day of ~~May~~, 2010, to the following:

June

Michael Valenti, Attorney
One Riverfront Plaza, Suite 1950
401 West Main Street
Louisville, KY 40202



Simon Berry
Staff Attorney
Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601
(502) 573-3390 Ext. 232
(502) 573-2183 (facsimile)