

**STATE OF NORTH DAKOTA**  
**SECURITIES DEPARTMENT**

In the Matter of A. J. Balfour & Group, )	<b>CEASE AND DESIST ORDER,</b>
Inc., a Florida corporation, )	<b>NOTICE OF CIVIL PENALTY,</b>
and Joseph L. Allen, )	<b>ORDER FOR RESCISSION, AND</b>
Respondents. )	<b>NOTICE OF RIGHT TO</b>
)	<b>REQUEST A HEARING</b>

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA**  
**TO: A. J. BALFOUR & GROUP, INC., a Florida corporation, and JOSEPH L. ALLEN, RESPONDENTS.**

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent, A. J. Balfour & Group, Inc., (hereinafter, "AJB") is a Florida corporation operated and controlled by Respondent, Joseph L. Allen, (hereinafter, "Allen") with its principal place of business at 401 E. Las Olas Blvd., Suite 1560, Ft. Lauderdale, Florida. AJB is not now and has never been registered as a broker-dealer in North Dakota.
2. Respondent Allen is believed to be a resident of Boca Raton, Florida, and is not now and has never been registered as an agent with the North Dakota Securities Department.

3. On or about July 3, 2008, Respondents engaged in the offer for sale and sale of \$30,000 in stock of Premium Petroleum Corp. for value to a North Dakota resident, in Tuttle, North Dakota. The purchase price was wired to the account of Respondent AJB at Bank of America in Ft. Lauderdale, Florida. Said stock was a "security" as defined in N.D.C.C. § 10-04-02(19). No stock certificates were delivered to the investor.
4. On or about August 5, 2008, Respondents engaged in the offer for sale and sale of \$10,000 in stock of Enviro Global Corporation for value to a North Dakota resident, in Tuttle, North Dakota. The purchase price was wired to the account of Respondent AJB at Bank of America in Ft. Lauderdale, Florida. Said stock was a "security" as defined in N.D.C.C. § 10-04-02(19). A stock certificate for 80,000 shares of Enviro Global Corporation was delivered by Respondents to the investor on or about February 3, 2009.
5. On or about August 20, 2008, Respondents engaged in the offer for sale and sale of \$15,000 in stock of Automotive Warranty Solutions for value to a North Dakota resident, in Tuttle, North Dakota. The purchase price was wired to the account of Respondent AJB at Bank of America in Ft. Lauderdale, Florida. Said stock was a "security" as defined in N.D.C.C. § 10-04-02(19). No stock certificates were delivered to the investor.
6. The securities offered for sale and sold by the Respondents had not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-08, or 10-04-08.1; were not an exempt security under N.D.C.C. § 10-04-05; and were not offered for sale or sold in an exempt transaction under N.D.C.C. § 10-

04-06; and were not a federal covered security or were not properly filed as a federal covered security under N.D.C.C. § 10-04-08.4. The offer and sale of the subject securities were made in violation of N.D.C.C. § 10-04-04 and Respondents engaged in three violations of N.D.C.C. § 10-04-04.

7. The transactions referenced above were conducted at a time when AJB was not registered as a broker-dealer with the Securities Department. Respondent AJB engaged in three violations of N.D.C.C. § 10-04-10(1).
8. Respondent Allen was not registered as an agent with the Securities Department at the times of these transactions. Respondent Allen engaged in three violations of N.D.C.C. 10-04-10(2).
9. Pursuant to N.D.C.C. § 10-04-16(1), the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violation of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$90,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16(1).
10. This Order is issued in the public interest, and for the protection of investors.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department.

2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Department as broker-dealers or agents

This order does not prohibit the offer or sale of securities through exempt securities transactions under N.D.C.C. § 10-04-06, nor does it prohibit a registered broker-dealer or agent from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

**YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$35,000 fine with respect to an organization.**

**YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.**

#### **NOTICE OF CIVIL PENALTY**

**YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1). Respondents, AJB and Allen, are hereby assessed, and shall pay a civil penalty of \$90,000 to the North Dakota**

Securities Department based on the violations discussed above. The civil penalty assessed under this paragraph is joint and several, and shall be deposited as follows:

1. \$90,000 shall be deposited into the North Dakota Investor Restitution Fund (Fund # 262), for the purpose of reimbursing the complainant for losses incurred as a result of the investments with the Respondents. The complainant's losses will be calculated pursuant to N.D.C.C. § 10-04-17. Any funds not paid to the complainant within one year of the date those funds are collected shall revert to the General Fund for the State of North Dakota pursuant to statute.

The civil penalty assessed herein is due and payable immediately upon the entry of this Order, except to the extent that a hearing has been timely requested by the respective Respondent. If a hearing is requested, the Securities Commissioner expressly reserves the authority to modify this provision and to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above or any other violations subsequently discovered.

#### **ORDER FOR RESCISSION**

The Securities Commissioner further Orders that the Respondents shall make rescission for the full amount paid for the securities described above, plus interest at the statutory rate, and any attorneys fees reasonably attributed to the investor's attempt to recover hereunder, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

**NOTICE OF RIGHT TO REQUEST A HEARING**

**YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The Respondents have the right to be represented by legal counsel at the hearing.

**IN TESTIMONY WHEREOF,** witness my hand and seal this 15 day of July, 2011.



  
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Karen J. Tyler, Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

**STATE OF NORTH DAKOTA**  
**SECURITIES DEPARTMENT**

In the Matter of A. J. Balfour & Group, )  
Inc., a Florida corporation, )  
and Joseph L. Allen, )  
Respondents. )

**AFFIDAVIT OF SERVICE**  
**BY MAIL**

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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On this 15<sup>th</sup> day of July, 2011, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

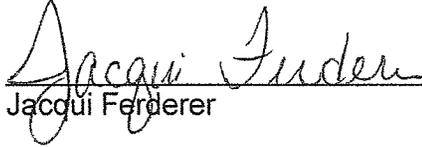
**CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY,  
ORDER FOR RESCISSION, AND NOTICE OF RIGHT TO REQUEST A HEARING**

Copies of the above documents were securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

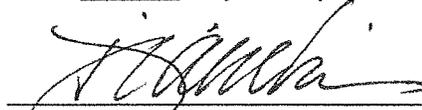
A. J. Balfour & Group, Inc.  
Attn: Joseph L. Allen, President  
401 E. Las Olas Blvd., Suite 1560  
Ft. Lauderdale, FL 33301

Joseph L. Allen  
6654 Villa Sonrisa Drive  
Unit 423  
Boca Raton, FL 33433

To the best of my knowledge, information and belief, the addresses given above are the last known addresses of the party intended to be served.

  
Jacqui Ferderer

Subscribed and sworn to before me this 15 day of July, 2011.

  
Diane Lillis, Notary Public  
Burleigh County, North Dakota  
My commission expires 4/26/2014

