

Deena R. Bernstein
United States Securities and Exchange Commission
Boston Regional Office
33 Arch Street, 23rd Floor
Boston MA 02110
GA Bar 054068
(617) 573-4590 (fax)
bernsteind@sec.gov
(617) 573-8813 (office)

Attorney for the United States Securities and Exchange Commission

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

_____)	No.
Securities and Exchange Commission,)	
)	
Plaintiff,)	
vs.)	JURY TRIAL DEMANDED
)	
Alliance Transcription Services, Inc.;)	COMPLAINT
Clifford A. Lewis; Richard A. Dabney;)	
Raymond C. Dabney;)	
Philip M. Young; Charles J. Smith; and)	
William D. O’Neal,)	
)	
Defendants.)	
_____)	

Plaintiff United States Securities and Exchange Commission (“Commission”) alleges the following against Defendants Alliance Transcription Services, Inc. (“Alliance” or “Company”), Clifford A. Lewis (“Lewis”), Richard A. Dabney, Raymond C. Dabney, Philip M. Young (“Young”), Charles J. Smith (“Smith”), and William D. O’Neal (“O’Neal”):

SUMMARY

1. This matter concerns a scheme to manipulate the price and trading volume of Alliance stock through false and misleading public disclosures and to issue and sell Alliance stock in an unregistered distribution from at least April

1 2005 through at least September 2006. Alliance, a Nevada corporation, purported
2 to provide unique expertise in the field of homeland security, and its common
3 stock was quoted at all relevant times on the Pink OTC Markets quotation system
4 formerly known as the Pink Sheets.

5 2. Defendants Alliance, Richard Dabney, and Lewis manipulated the
6 market for Alliance's stock by making false and misleading public disclosures in
7 press releases issued by Alliance and published through business newswire
8 services and on Alliance's website.

9 3. Defendants Alliance, Richard Dabney, Raymond Dabney, Young,
10 Smith, and O'Neal participated in the unregistered distribution of Alliance
11 securities from July 2005 to September 2006 through a series of purported
12 offerings by Alliance to a Texas company controlled by Smith. Raymond Dabney,
13 Young, and Smith arranged for Alliance to issue stock to the Texas company in
14 offerings that purportedly were exempt from registration and through which stock
15 certificates purportedly could be issued without printed legends restricting the
16 stock's resale. In fact, the transactions between Alliance and Smith's company
17 were not exempt from registration and were merely a device to evade the
18 registration provisions of the federal securities laws. Once issued to Smith's
19 company, the stock was immediately distributed to third parties without being paid
20 for by Smith. Richard Dabney and O'Neal enabled Alliance to engage in those
21 transactions by providing the necessary corporate resolutions and legal opinions,
22 respectively.

23 4. Defendants Young, Smith, and O'Neal received Alliance stock
24 through the unregistered distribution and sold it into the market without
25 registration or a valid exemption from registration. Defendants Lewis, Richard
26 Dabney, and Raymond Dabney received a portion of the proceeds that Young
27 obtained by selling the Alliance stock.

28 5. By their conduct, Alliance, Lewis, and Richard Dabney violated

1 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule
2 10b-5 thereunder, and Alliance, Richard Dabney, Raymond Dabney, Young,
3 Smith, and O’Neal violated Section 5 of the Securities Act of 1933 (“Securities
4 Act”).

5 6. The Commission seeks relief including: permanent injunctions
6 against all the Defendants; disgorgement of ill-gotten gains plus prejudgment
7 interest thereon and civil monetary penalties against Lewis, Richard Dabney,
8 Raymond Dabney, Young, Smith, and O’Neal; penny stock bars against Lewis,
9 Richard Dabney, Raymond Dabney, Young, and Smith; officer-and-director bars
10 against Lewis and Richard Dabney; and any other appropriate relief.

11 **JURISDICTION**

12 7. The Commission brings this action pursuant to Section 20(b) of the
13 Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15
14 U.S.C. § 78u(d)].

15 8. This Court has jurisdiction over this action pursuant to Sections
16 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)] and
17 Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e),
18 and 78aa].

19 9. In connection with the acts, transactions, practices, and courses of
20 business alleged in this Complaint, the defendants, directly or indirectly, made use
21 of the means or instruments of transportation or communication in interstate
22 commerce, the means or instrumentalities of interstate commerce, the mails, or the
23 facilities of any national securities exchange.

24 **THE DEFENDANTS**

25 10. **Alliance** is a Nevada corporation that is based in Rancho Palos
26 Verdes, California, and was based in Harrison, Maine, at all relevant times. From
27 December 2004 to August 2007, the Company, which was then known as Strategy
28 X, Inc., purported to provide unique expertise in the field of homeland security.

1 Alliance's common stock was quoted on the Pink Sheets at all relevant times, but
2 it has not traded actively since October 4, 2007, when the Commission ordered a
3 10-day trading suspension pursuant to Section 12(k) of the Exchange Act [15
4 U.S.C. § 78l(k)]. At all times relevant to this Complaint, Alliance's common
5 stock has been a penny stock because the Company's net tangible assets and
6 average revenues have been below the thresholds established under Section
7 3(a)(51) of the Exchange Act [15 U.S.C. § 78c(a)(51)] and Rule 3a51-1 thereunder
8 [17 C.F.R. § 240.3a51-1], and the securities have traded at a price below \$5 per
9 share at all times since the stock began trading.

10 11. **Lewis**, age 44, resides in Huntsville, Alabama, and resided in
11 Harrison, Maine, at all relevant times. He was the president, chief executive
12 officer, and a director of Alliance at all relevant times and was responsible for
13 business development and the day-to-day operations of the Company. Lewis
14 caused Alliance to make false and misleading public disclosures in press releases
15 and on its website.

16 12. **Richard Dabney**, age 40, resides in Rancho Palos Verdes,
17 California, and resided in Torrance, California, at all relevant times. He was the
18 managing director and treasurer of Alliance beginning in December 2004 and was
19 responsible for Alliance's financial matters. Richard Dabney caused Alliance to
20 make false and misleading public disclosures and to engage in the unregistered
21 distribution of its securities.

22 13. **Raymond Dabney**, age 43, resides in Vancouver, British Columbia,
23 Canada. He is the brother of Richard Dabney and, from December 2004 to
24 approximately November 2005, was a member of Alliance's board of directors.
25 Although Raymond Dabney ceased to be publicly identified as an officer or
26 director of Alliance following a November 2005 disciplinary proceeding brought
27 by the British Columbia Securities Commission that barred him from serving as an
28 officer or director of any issuer, he continued to exercise great influence over the

1 Company and personally directed the unregistered distribution of Alliance
2 securities.

3 14. **Young**, age 84, resides in Phoenix, Arizona. He was the founder
4 and chairman of First American Stock Transfer, Inc. (“First American”) in
5 Phoenix, Arizona, the transfer agent for Alliance and its predecessors from
6 approximately 1987 to June 2006. From August 2006 to May 2007, Young was
7 the owner and president of First National Stock Transfer, Inc. in Phoenix, Arizona,
8 which was the transfer agent for Alliance during that period. He initiated and
9 personally participated in the unregistered distribution of Alliance securities.
10 Young received a portion of the purportedly unrestricted Alliance stock issued in
11 those transactions and sold the shares into the market through a brokerage account.

12 15. **Smith**, age 60, resides in Reno, Nevada, and is a consultant to
13 private companies seeking to raise capital. He served as a conduit for the
14 unregistered distribution of Alliance stock. Smith received a portion of the
15 purportedly unrestricted Alliance stock issued in those transactions as
16 compensation for his services, and he sold the shares into the market through a
17 brokerage account.

18 16. **O’Neal**, age 48, resides in Fountain Hills, Arizona. He is an
19 attorney who is licensed to practice law in Arizona and specializes in securities
20 law. O’Neal issued numerous legal opinion letters that facilitated the unregistered
21 distribution of securities by Alliance. He was paid for his services with a portion
22 of the purportedly unrestricted Alliance stock issued in those transactions and sold
23 the shares into the market through a brokerage account.

24 **STATEMENT OF FACTS**

25 **A. Background**

26 17. Alliance was incorporated by Young in Nevada in 1996 under the
27 name Arizigon Corporation. Between April 1996 and December 2004, the
28 Company was essentially a corporate shell and changed name and management

1 several times.

2 18. In December 2004, the majority shareholders sold their interests in
3 Alliance, then called Strategy X, Inc., to an entity controlled by Raymond Dabney.
4 Raymond Dabney, Richard Dabney, and Lewis became officers and/or directors of
5 Alliance and launched a business purporting to provide unique expertise in the
6 field of homeland security.

7 19. At all relevant times, Alliance stock was quoted on the Pink OTC
8 Markets quotation system formerly known as the Pink Sheets, but the Company
9 has never registered its securities or filed reports with the Commission.

10 20. During the period from December 2004 to mid-2005, Young was the
11 chairman and president of First American, the transfer agent for Alliance. After
12 his daughter succeeded him as president, Young retained his position as chairman
13 of First American until June 2006.

14 **B. Alliance Issues False and Misleading Press Releases**

15 21. From December 2004 through at least November 2006, Alliance
16 issued and published a stream of press releases through business newswire
17 services and on its own website. As a regular practice, Lewis and Richard Dabney
18 reviewed, edited, and approved each press release prior to its publication. Some of
19 the press releases contained material false or misleading statements regarding
20 Alliance's contracts and revenues.

21 **1. Radian, Inc.**

22 22. In April 2005, Alliance became a subcontractor to Radian, Inc.,
23 which had a contract (the "Prime Contract") with the Department of Defense to
24 design and install intrusion detection systems to protect a number of U.S. military
25 installations. Alliance was one of a number of subcontractors that provided
26 workers to do some of that work. Both the Prime Contract and the Alliance
27 subcontract were "indefinite-delivery-indefinite-quantity" contracts, meaning that
28 there was no guarantee as to how much work would be ordered, if any. According

1 to its terms, the subcontract could be terminated by either party unilaterally at any
2 time, and no minimum amount of work or minimum payment to Alliance was
3 guaranteed. Until a work order was issued by Radian, it was not possible for
4 Alliance to know or even reasonably to estimate how much it would earn on any
5 particular project; similarly, it was not possible for Alliance to know or even
6 reasonably to estimate how much it would earn on the subcontract as a whole.

7 23. Nevertheless, on April 26, 2005, Alliance issued a press release with
8 the headline, “[Alliance, Inc.] Secures \$6,000,000 Contract to Support Several US
9 Department of Defense Locations.” As of that date, Radian had not issued a single
10 purchase order to Alliance. In their capacities as executive officers of Alliance,
11 Richard Dabney and Lewis each reviewed and approved the April 26, 2005 press
12 release prior to its publication. Lewis calculated and inserted the \$6 million figure
13 into the release, despite the fact that there was no reasonable basis for it and the
14 information was materially false and misleading. Both Richard Dabney and Lewis
15 were familiar with the terms of the subcontract and knew that it did not set out the
16 amount of work to be done by Alliance or the total amount of money that Alliance
17 would be paid during the course of the subcontract. Both of them also understood
18 that, when Radian was ready to assign specific work to Alliance, it would issue
19 purchase orders stating the location, period of performance, man hours, and labor
20 rates.

21 24. On April 26, 2005, the day of the announcement, the trading
22 volume of Alliance’s stock increased almost tenfold from the previous day, from
23 24,050 shares to 229,915 shares, and its stock price increased by 47%, from \$0.15
24 to \$0.22 per share.

25 25. At all relevant times, Richard Dabney and Lewis were constantly
26 concerned with attracting investors to Alliance and were keenly aware of the
27 influence that Alliance’s press releases could have on investors. For example, in a
28 March 23, 2005 e-mail concerning a draft of what would become Alliance’s April

1 26, 2005 press release, Lewis told Radian's program manager in charge of the
2 Prime Contract that, "as a publicly traded company we depend on these stupid
3 releases to keep our investors happy and the money flowing in."

4 26. Thereafter, with Richard Dabney's and Lewis's review and
5 approval, Alliance continued to issue and publish press releases regarding the
6 subcontract with Radian, claiming ever increasing but unjustified contract values.
7 In a September 21, 2005 press release, Alliance claimed that its "Department of
8 Defense (DoD) teaming contract originally worth more than \$5,000,000 has been
9 expanded once again" and was now "worth over \$8,250,000." On November 7,
10 2005, Alliance issued another press release stating that the Company was
11 "expanding the scope of their current 8.5 million dollar Department of Defense
12 (DoD) contract." The trading volume of Alliance stock increased significantly
13 with each of those announcements, although the stock price did not increase. The
14 claimed value of the subcontract in both of those press releases was materially
15 false and misleading because there was no reasonable basis for the figures. On
16 each occasion, the total value of the purchase orders issued by Radian to date was
17 a small fraction of the amounts claimed by Alliance.

18 **2. Vindicator Technologies**

19 27. In April 2005, Alliance contacted Vindicator Technologies
20 ("Vindicator") in Austin, Texas, to try to establish a business relationship.
21 Vindicator manufactures and installs security equipment and is now a business
22 unit of Honeywell International, Inc. known as Honeywell Vindicator Security
23 Solutions. The companies took preliminary steps by executing a non-disclosure
24 agreement and arranging for several Alliance employees to attend a Vindicator
25 training program, which Vindicator required as a pre-condition to entering into
26 any substantive contractual relationship with a prospective subcontractor.
27 Alliance did not pay the required fee to Vindicator, however, and did not send its
28 employees for training. The companies never developed a business relationship

1 and never entered into any substantive contract.

2 28. Nevertheless, on June 22, 2005, Alliance issued a press release,
3 reviewed and approved by Richard Dabney and Lewis, announcing that it had
4 “opened negotiations with Vindicator Technologies, Inc. to provide Survey,
5 Installation, and Integration Management support to Vindicator installations.” The
6 press release also stated that the negotiations “could lead to a positive cash flow
7 ranging from 1-10 million dollars.”

8 29. The disclosure by Alliance in its June 22, 2005 press release is
9 materially false and misleading because there was no reasonable basis for the
10 projected cash flow figures based on doing work for Vindicator. Alliance never
11 took the prerequisite step of having its staff trained by Vindicator, and the
12 companies never discussed any specific potential projects that might generate cash
13 flow for Alliance. Lewis simply calculated the cash flow figures and inserted
14 them into the press release, which he and Richard Dabney published without
15 discussing or checking the information with Vindicator.

16 **3. Communication Solutions, Inc.**

17 30. On January 10, 2006, Alliance issued a press release stating that
18 “[Alliance] is pleased to announce they have finalized a \$2.5 million Homeland
19 Security contract with Communication Solutions, Inc. for the State of Maine.”
20 The press release was drafted by Lewis and reviewed, edited, and approved for
21 publication by Richard Dabney. The release further claimed that “[Alliance] will
22 be providing system engineering, program management, as well as write and
23 submit [sic] subsequent follow-on state and federal grants.” These statements are
24 materially false and misleading because no such contract was ever finalized, or
25 even negotiated, between the companies. Communication Solutions had no
26 substantive agreement with Alliance and no contract with the State of Maine. On
27 the day of the announcement, Alliance’s trading volume increased substantially
28 from 851,079 shares to 1,401,185 shares, and its stock price increased slightly

1 from the previous day, from \$0.085 to \$0.091 per share.

2 **C. Unregistered Distribution of Alliance Stock**

3 **1. Purported Sales to North American Funding**

4 31. In or about July 2005, various of the Defendants put into effect a
5 scheme to evade the securities registration provisions of the federal securities
6 laws. At that time, Young telephoned Smith, whom he had known and done
7 business with for several years. Smith was then the sole officer, director, and
8 employee of North American Funding, Inc. (“NAF”), a Texas corporation. Young
9 told Smith that Alliance needed to raise some capital and wanted to use NAF to
10 conduct a private placement because of an exemption from federal securities
11 registration requirements he believed was available to a Texas corporation.

12 32. Young told Smith that, in connection with the private placement,
13 Alliance would direct First American to issue a stock certificate to NAF and Smith
14 would then instruct First American to “break the certificate down” and redistribute
15 the shares to the purported real investors, who would pay for them. Young
16 assured Smith that Smith would not have to pay for the Alliance stock and that he
17 would be compensated with shares of Alliance stock for his efforts. Smith agreed
18 to participate in the transaction.

19 33. On July 28, 2005, First American issued a stock certificate to NAF
20 representing two million purportedly unrestricted shares of Alliance stock. The
21 certificate was held at First American and not delivered to Smith. Shortly
22 afterward, Young telephoned Smith and directed him to instruct First American to
23 cancel the stock certificate and to issue new certificates redistributing the shares to
24 third parties. Young told Smith to whom the shares were to be issued and in what
25 quantities. Smith complied with Young’s directions and sent instructions to First
26 American. The Alliance shares issued to NAF were redistributed accordingly.

27 34. In mid-August 2005, less than one month after the first transaction,
28 Young again telephoned Smith and told him that Alliance needed to issue

1 additional stock to raise more money. Smith again agreed to participate in the
2 transaction. The process described above was repeated throughout the ensuing
3 year, with Young initiating the contact on each occasion. Between July 2005 and
4 September 2006, Alliance issued more than 60 million shares of purportedly
5 unrestricted stock to NAF in a series of at least 15 transactions. On each occasion,
6 the shares issued to NAF were immediately redistributed to third parties and sold
7 into the market. In most instances, Young, Smith, and O'Neal received some of
8 the shares.

9 35. Alliance did not file a registration statement with the Commission,
10 and none was in effect, for any of the Alliance offerings to NAF.

11 36. Although Raymond Dabney had no official title at Alliance after
12 November 2005, he acted as a behind-the-scenes executive officer and directed
13 much of the Company's activities. Alliance's two principal officers, Richard
14 Dabney and Lewis, looked to Raymond Dabney for guidance on managing the
15 Company, including the issuing of stock and the content of press releases.

16 37. In most of the transactions between Alliance and Smith, Raymond
17 Dabney instructed Young as to how the Alliance stock issued to NAF was to be
18 redistributed to third parties, and Young conveyed those instructions to Smith. In
19 some instances, however, Raymond Dabney delivered the instructions directly to
20 Smith.

21 38. For each of the transactions between Alliance and Smith, Alliance's
22 transfer agent, First American, required that the Company provide it with certain
23 documentation, including a corporate resolution approving the stock issuance. In
24 each instance, Richard Dabney, as an executive officer of Alliance, provided the
25 necessary signed corporate resolution authorizing the stock issuance to NAF.

26 **2. O'Neal Provides Legal Opinion Letters**

27 39. First American also required, as to each transaction, a written
28 opinion of counsel. In each instance, O'Neal prepared and delivered to First

1 American a legal opinion stating that the offering by Alliance was exempt from
2 registration under the Securities Act and that the stock certificate could be issued
3 to NAF without any restrictive legend as to the resale of the shares. Based on
4 O'Neal's legal opinions, Alliance was able to issue more than 60 million shares of
5 stock without any restrictive legend to NAF as part of the unregistered
6 distribution.

7 40. The legal opinions issued by O'Neal stated that the transactions were
8 exempt from registration under the Securities Act and that the stock certificates
9 could be issued without restrictive legend. The opinions purported to rely on
10 certain provisions of Regulation D under the Securities Act and on certain
11 provisions of Texas state law. The provisions cited in O'Neal's legal opinions,
12 however, did not confer the claimed exemption or permit the stock certificates to
13 be issued without a restrictive legend.

14 41. NAF was not a bona fide purchaser and merely served as a conduit
15 for the unregistered public distribution of Alliance stock. In fact, Smith's sole
16 function in the transactions was to give the false appearance in the records of the
17 issuer and the transfer agent that Alliance had sold its stock to a Texas
18 corporation.

19 **3. Young Agrees to Split Proceeds With Alliance**

20 42. In or about August 2005, Young and Raymond Dabney entered into
21 an oral agreement that a portion of the Alliance shares issued to NAF in future
22 transactions would be transferred to Young. They agreed that Young would
23 deposit the shares into a brokerage account, sell them into the market, and split the
24 proceeds with Alliance. From at least August 2005 to September 2006, Young
25 received at least 29.6 million shares of the Alliance stock issued to NAF and
26 obtained net proceeds of approximately \$357,276 by selling the shares into the
27 market.

28 43. Richard Dabney was aware of the agreement between Raymond

1 Dabney and Young regarding the splitting of the proceeds from Young's sale of
2 the Alliance shares. On various occasions Richard Dabney contacted Young to
3 arrange for Young to transfer the available funds to him which he purportedly
4 needed for Alliance.

5 44. Generally, Young transferred Alliance's share of the proceeds to an
6 Alliance corporate bank account that was controlled by Richard Dabney, but
7 sometimes Richard Dabney directed him to transfer the funds to Richard Dabney's
8 personal bank account.

9 45. On three occasions, Raymond Dabney instructed Young to transfer
10 some of the proceeds to Raymond Dabney's personal bank account in Canada and,
11 on another occasion, Raymond Dabney instructed Young to transfer funds to
12 Lewis's personal bank account in Maine.

13 **4. Smith, Young, and O'Neal Sell Alliance Stock**

14 46. For his participation in the unregistered distribution, Smith received
15 a total of 1,680,000 purportedly unrestricted shares of Alliance stock at no cost.
16 Smith never intended to hold the stock for investment and, each time he received
17 the Alliance shares, he deposited them into a brokerage account and sold them into
18 the market shortly afterward. Smith obtained net proceeds totaling \$148,797.72
19 when he sold the Alliance stock.

20 47. Through his participation in the unregistered distribution, Young
21 received more than 27 million purportedly unrestricted shares of Alliance stock.
22 He deposited the shares into a brokerage account that he controlled and obtained
23 net proceeds of at least \$357,276 by selling the shares into the market shortly
24 afterward.

25 48. As payment for his legal services to Alliance, O'Neal received more
26 than 1,650,000 purportedly unrestricted Alliance shares through the unregistered
27 distribution. He deposited the shares into his brokerage account and sold them
28 into the market shortly afterward for net proceeds of \$163,246.22.

1 sell or to sell securities, or to carry or cause such securities to be carried through
2 the mails or in interstate commerce for the purpose of sale or for delivery after
3 sale.

4 54. No registration statement has been filed with the Commission or has
5 been in effect with respect to any of the offerings alleged herein.

6 55. By engaging in the conduct described above, Alliance, Richard
7 Dabney, Raymond Dabney, Smith, and Young violated, and unless restrained and
8 enjoined will continue to violate, Section 5 of the Securities Act [15 U.S.C. §
9 77(e)].

10 **THIRD CLAIM**

11 **(Violations of Section 5 of the Securities Act by O'Neal)**

12 56. Plaintiff repeats and incorporates by reference the allegations in
13 paragraphs 1 through 47 above as if set forth fully herein.

14 57. As set forth above, O'Neal, directly or indirectly made use of means
15 or instruments of transportation or communication in interstate commerce or of the
16 mails, to offer to sell or to sell securities, or to carry or cause such securities to be
17 carried through the mails or in interstate commerce for the purpose of sale or for
18 delivery after sale.

19 58. No registration statement has been filed with the Commission or has
20 been in effect with respect to any of the offerings alleged herein.

21 59. By engaging in the conduct described above, O'Neal violated, and
22 unless restrained and enjoined will continue to violate, Section 5 of the Securities
23 Act [15 U.S.C. § 77(e)].

1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Commission requests that the Court enter a final
3 judgment:

4 **I.**

5 Permanently enjoining Alliance, Lewis, and Richard Dabney from
6 violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. §
7 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

8 **II.**

9 Permanently enjoining Alliance, Richard Dabney, Raymond Dabney,
10 Young, and Smith from violating, directly or indirectly, Section 5 of the Securities
11 Act [15 U.S.C. § 77(e)];

12 **III.**

13 Permanently enjoining O’Neal from violating, directly or indirectly,
14 Section 5 of the Securities Act [15 U.S.C. § 77(e)];

15 **IV.**

16 Permanently enjoining O’Neal from issuing any legal opinions to the effect
17 that unregistered offerings are exempt from SEC registration under Rule 504 of
18 Regulation D under the Securities Act [17 C.F.R. 230.504] and that securities
19 issued in such Rule 504 offerings are unrestricted;

20 **V.**

21 Permanently enjoining O’Neal from accepting securities of any issuer
22 whose securities are quoted exclusively on the Pink OTC Markets quotation
23 system formerly known as the Pink Sheets in consideration for legal or consulting
24 services rendered;

25 **VI.**

26 Ordering Raymond Dabney, Richard Dabney, Lewis, O’Neal, Smith, and
27 Young to disgorge their ill-gotten gains, plus prejudgment interest;

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VII.

Ordering Raymond Dabney, Richard Dabney, Lewis, O'Neal, Smith, and
Young to pay civil money penalties;

VIII.

Permanently barring Raymond Dabney, Richard Dabney, Lewis, Smith,
and Young from participation in any offering of penny stock, including engaging
in activities with a broker, dealer, or issuer for purposes of issuing, trading, or
inducing or attempting to induce the purchase or sale of any penny stock under
Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of
the Exchange Act [15 U.S.C. § 78u(d)(6)];

IX.

Permanently barring Richard Dabney and Lewis from serving as an officer
or director of any issuer that has a class of securities registered pursuant to Section
12 of the Exchange Act or that is required to file reports pursuant to Section 15(d)
of the Exchange Act; and

X.

Ordering such other relief as the Court deems just and proper.

DATED this 8th day of August, 2008.

/s/ Deena R. Bernstein

Deena R. Bernstein (Ga. Bar 054068)

U.S. Securities and Exchange

Commission

Senior Trial Counsel

33 Arch Street, 23rd Floor

Boston, Massachusetts 02110

Telephone: (617) 573-8813 (Bernstein)

Facsimile: (617) 573-4590

E-mail: bernsteind@sec.gov