STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333-0121

IN RE: ROY E. ALLEN

NOTICE OF INTENT
05-038

ALLEGATIONS

1. The Endeavor Foundation was incorporated in Maine as a nonprofit corporation in April 2003 with a mailing address of PO Box 9546, Portland, Maine. It was administratively dissolved in July 2004.

2. Roy E. Allen ("Allen") is an individual who currently lives at 263 Howland Avenue, Rochester, New York 14620. At all relevant times, Allen was physically located in Maine.

3. In late May 2003, the Maine Office of Securities ("the Office") learned that Allen was soliciting investors through The Endeavor Foundation's website. In response, the Office sent a certified letter to Allen dated June 3, 2003, advising Allen that it was unlawful for him to offer investments in Maine without a broker-dealer or sales representative license unless he was licensed or exempt from licensing. The Office's letter also requested, among other things, that Allen provide an assurance that he would refrain from further solicitations of or sales to consumers within the State of Maine until the matter was resolved.

4. By letter dated June 12, 2003, Allen provided a written response to the Office's letter. In his letter, Allen stated that he was aware that they could not solicit investors covered under The Revised Maine Securities Act unless he retained professional broker services. In the same letter, he stated that "[n]o sales or solicitations will occur unless we are in accordance with Maine law."

5. In or around July 2003, Allen solicited a Maine resident to invest in The Endeavor Foundation. Allen represented to the Maine investor that The Endeavor Foundation was planning to invest in Career Management Services, Inc., a Massachusetts-based hairdressing and massage therapist school. Allen also told the Maine resident that the investment would provide a return of 14.157% per year, paid monthly.

6. As a result of Allen's solicitation, on August 3, 2003, the Maine resident signed a Participation Agreement and invested $200,000 in Access Maine Street #1. On the same date, the Maine resident's father, a New Hampshire resident, signed a Participation agreement and invested $100,000 in Access Maine Street #1. Allen informed the Maine resident and his father (collectively, "the investors") that Access Maine Street #1 was the vehicle through which they would be investing in The Endeavor Foundation.

7. The Participation Agreements signed by the investors stated that they would receive interest payments of 14.157% per year, paid monthly, and that a repayment of their principal investment would become due in 365 days. The Participation Agreements also stated that their funds would be "collateralized via a promissory note secured by a client company default assignment royalty financing agreement and assignable blanket client UCC-1."

8. On February 6, 2004, Access Maine Street #1 became a limited liability company under the laws of Maine.

9. The investors were passive investors in Access Maine Street.

10. The investors received the promised interest payments for a few months, but then the payments ceased. The investors never received the remaining interest payments due to them, nor have they received a return of their principal.

11. At all relevant times, the Revised Maine Securities Act (the "Revised Act"), 32 M.R.S.A. §10101 et seq., was in effect. Effective December 31, 2005, the Revised Act was repealed and replaced by the Maine Uniform Securities Act, 32 M.R.S.A. §16101 et seq. Pursuant to 32 M.R.S.A. §16702(1), the Revised Act governs this matter.

12. At all relevant times, it has been unlawful to offer or sell any security in Maine unless the security is registered, the security or the transaction in which it is offered or sold is exempt from registration, or the security is a federal covered security. 32 M.R.S.A. §10401.

13. At all relevant times, it has been unlawful to transact business in Maine as a broker-dealer or a sales representative of a broker-dealer or issuer unless licensed or exempt from licensing. 32 M.R.S.A. §10301.

14. The investment in the form of a Participation Agreement that Allan offered and sold to the investors is a security. 32 M.R.S.A. §10501(18). At all relevant times, the Participation Agreements were not registered as securities in Maine, were not exempt from registration, and were not federal covered securities, and the transaction in which they were sold to the investors was not exempt from registration.

15. At all relevant times, Allen was neither licensed as a broker-dealer or sales representative or exempt from licensing.

16. It is the position of the Office that Allen violated 32 M.R.S.A. §10401 by offering and selling an unregistered security in Maine.

17. It is the position of the Office that Allen violated 32 M.R.S.A. §10301 by selling a security in Maine without being licensed or exempt from licensing.

18. With respect to alleged violations of the Revised Act, the Securities Administrator may, after notice and opportunity for a hearing, issue a cease and desist order if the Securities Administrator determines that the public interest or protection of investors so requires. 32 M.R.S.A §§10602 and16702. As set forth above, Allen has committed at least two violations of the Act.

NOTICE

Notice is hereby given that the Securities Administrator intends to issue an Order to Cease and Desist against Roy E. Allen. 32 M.R.S.A. §§10602, 10708, and 16702(1).

If Allen wants to request a hearing in this matter, he must do so in writing within thirty (30) calendar days of the date of this Notice of Intent. 32 M.R.S.A. §§ 10708 and 16702(1).

Date: March 5, 2009

Judith M. Shaw
Securities Administrator

Presented by:

Date: March 5, 2009

Jacqueline M. Drouin
Investigator / Examiner