OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION	
IN THE MATTER OF DETERMINING whether there has been a violation of the Securities Act of Washington by:	SDO - 32 - 02
SYNERGY ALLIANCE GROUP, LLC; LARRY W. TANNER; their agents and employees,	ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST AND IMPOSING FINES
Respondents.	Case No. 01-10-408
THE STATE OF WASHINGTON TO:	Synergy Alliance Group, LLC Larry W. Tanner

On February 4, 2002, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist and Notice of Intent to Impose Fines SDO-11-02 hereinafter referred to as the "Summary Order." The Summary Order provided notice, pursuant to RCW 21.20.395, of the Division's intent to impose a \$5,000 fine jointly and severally against Respondents Synergy Alliance Group, LLC and Larry W. Tanner.

The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing"), were personally served on Respondents Synergy Alliance Group, LLC and Larry W. Tanner on March 13, 2002. Affidavits of service are on file with the Division. The Notice of Opportunity for Hearing advised Respondents that they had twenty days from the date they received the notice to file a written application for an administrative hearing on the Summary Order. The Order further advised that if any Respondent did not request a hearing, as to that Respondent, the Securities Administrator intended to adopt the Tentative Findings of Fact and Conclusions of Law set forth in the Order as final and impose the fines sought.

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST AND IMPOSING FINES Respondents Synergy Alliance Group, LLC and Larry W. Tanner each failed to request an administrative hearing within twenty days of its receipt of the Summary Order and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in the Summary Order.

The Securities Administrator makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

I. Respondents

1. **SYNERGY ALLIANCE GROUP, LLC** ("SAG") is a Florida for-profit limited liability company. SAG maintains a primary place of business at 1025 Semoran Blvd., Suite 1093, Winter Park, Florida, 32792. SAG is purportedly a venture capital company, and maintains an Internet website at <u>www.synergyalliancegroup.com</u>.

2. LARRY W. TANNER ("Tanner") is the founder, Manager, and resident agent of SAG. Tanner maintains an office at 688 St. Johns Court, Winter Park, Florida, 32792.

II. Nature of the Offering

3. On or about Wednesday, October 24, 2001, a Securities Division investigator received an inquiry about SAG's internet website via e-mail from a securities investigator in another state.

4. The Securities Division investigator reviewed the Internet website. During the review, the investigator found that the website contained an offer to sell securities. According to the website, SAG provides loans of up to \$250,000 to early stage companies. In order to raise money to make the loans, SAG offers "equity shares" to investors (called "Founding Members") for \$ 0.05 per share. When a company repays a loan to SAG, SAG then purportedly buys back the equity shares from investors for as much as \$ 0.30 per share.

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST AND IMPOSING FINES 5. On or about October 26, 2001, the investigator sent a warning letter via certified mail to SAG and Tanner. The letter required a reply on or before November 5, 2001. To date, the Securities Division has not received a reply.

6. On or about November 14, 2001, the State of Pennsylvania issued a Cease & Desist Order ("the Pennsylvania Order") against Respondents SAG and Tanner. The Pennsylvania Order required Respondents to immediately halt the offer and/or sale of securities to residents of Pennsylvania.

7. As of the date of entry of the summary order, Respondents were continuing to offer their investment opportunity at <u>www.synergyalliancegroup.com</u>.

8. The offering on Respondents' website failed to disclose material facts relating to the offering, including but not limited to: the Pennsylvania Order against Respondents SAG and Tanner; information about the use of investor proceeds; financial information, including financial statements, about SAG; and the risk factors involved in the investment.

III. Registration Status

9. SAG and Tanner are not currently registered to offer or sell its securities in the State of Washington, and have not previously been so registered.

10. SAG and Tanner are not currently registered as securities salespersons or broker/dealers in the State of Washington, and none of them have previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of equity shares by Respondents as set forth in the above Tentative Findings of Fact, Section II, Paragraph 3 through 7, constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST AND IMPOSING FINES

2. The offer and/or sale of said securities was made in violation of RCW 21.20.010, because, as set forth in the above Tentative Findings of Fact, Section II, Paragraph 8, Respondents made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

3. The offer and/or sale of said securities by Respondents was made in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

4. Respondents SAG and Tanner have each violated RCW 21.20.040 by offering and/or selling said securities while not being registered as broker-dealers or securities salespersons in the state of Washington.

FINAL ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY ORDERED that Synergy Alliance Group, LLC, Larry W. Tanner, and their agents and employees each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further ORDERED that Synergy Alliance Group, LLC, Larry W. Tanner, and their agents and employees each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, by offering and/or selling unregistered securities.

It is further ORDERED that Synergy Alliance Group, LLC, Larry W. Tanner, and their agents and employees, each cease and desist from violating RCW 21.20.040 by acting as a securities broker-dealer or securities salesperson without being so registered.

It is further ORDERED that, pursuant to RCW 21.20.395, Synergy Alliance Group, LLC and Larry W. Tanner Synergy are jointly and severally liable for, and shall pay a fine in the amount of \$5,000. Such payment shall be: (a) made by United States postal money order, certified check, bank cashier's check or bank money order; (b) made payable to the Washington State Treasurer; (c) delivered by certified mail to Deborah R. Bortner, Securities

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST AND IMPOSING FINES Administrator, Department of Financial Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover letter that identifies Synergy Alliance Group, LLC and Larry W. Tanner as Respondents under these proceedings, and the Order and case number of these proceedings.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and is subject to the provisions of Chapter 34.05 RCW. A certified copy of this order filed in Superior Court shall be treated in the same manner as a Superior Court judgment, and may be recorded, enforced, or satisfied in like manner. Accordingly, if filed, Respondents will be liable for costs and interest on the amount of judgment at a rate of 12% per annum, and may be liable for attorney fees.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this 17th day of April, 2002.

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DEBORAH R. BORTNER Securities Administrator

Approved by:

Presented by:

Rex Staples Senior Enforcement Attorney for Michael E. Stevenson Chief of Enforcement Chad Standifer Staff Attorney

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ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST AND IMPOSING FINES DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760