STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE,	)	
Tennessee Securities Division Petitioner,	)	
	)	**O.I.: 2024-0036**
vs.	)	
DARYL L. MOORE, and THE ALLIANCE EQUITY GROUP, LLC	)	
Respondents.	)	

PETITION FOR AN EX PARTE ORDER TO CEASE AND DESIST

The Securities Division of the Tennessee Department of Commerce and Insurance ("Division"), by and through undersigned counsel, pursuant to the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-1-101 through 48-1-201 *et seq.* ("Act") petitions the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") to issue an Ex Parte Order to Cease and Desist ("Order") from engaging in all unregistered securities activity to Daryl L. Moore ("Respondent Moore") and The Alliance Equity Group, LLC (" Alliance"), collectively ("Respondents").

I. JURISDICTION

1. Tenn. Code Ann. § 48-1-116 establishes that the Commissioner may execute Orders as are necessary to carry out the Act when the Commissioner finds that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

II. PARTIES

2. The Commissioner is responsible for the administration of the Act. The Division, pursuant to Tenn. Code Ann. § 48-1-115, is the lawful agent through which the Commissioner discharges this responsibility.

3. Respondent Moore is an individual with the last known address of 7768 Roxshire Cove, Memphis, TN 38125.

4. Alliance is an entity with a last known address at 5865 Ridgeway Center Parkway, Suite 300, Memphis, TN 38120. Alliance was formed with the Tennessee Secretary of State on June 11, 2020, and has been administratively dissolved and inactive since August 10, 2024. Respondent Moore is listed as the Registered Agent.

III. FACTUAL ALLEGATIONS

5. An investigation into Respondent Moore and Alliance was initiated after the Division received a complaint from Texas resident Said Sabbagh ("Mr. Sabbagh") on July 8, 2024. Mr. Sabbagh reported that Respondent Moore solicited him to participate in a high-yield investment opportunity offered through Alliance. According to Mr. Sabbagh, Respondent Moore represented that he could secure significant returns through a specialized overseas equity program, asked for an upfront "account opening fee," and assured him that the investment was legitimate and guaranteed. After transferring the required funds, Mr. Sabbagh received neither documentation confirming his investment nor any return of the money he provided. Vowell Aff ¶4.

6. Due to the allegations of Mr. Sabbagh , Order of Investigation 2024-0036 was opened on October 7, 2024

7. The Financial Services Investigation Unit ("FSIU") discovered that Respondent Moore has been the subject of multiple police investigations in which fraud was alleged. Vowell Aff ¶10.

8. Mr. Sabbagh's allegations explained that the Respondent Moore solicited him to join an exclusive "equity investment program," promising unusually high returns and advising that the opportunity was vetted and secure. Vowell Aff ¶11.

9. Respondent Moore's contracts promised that Mr. Sabbagh's invested funds would be placed in an "IFB investment account" tied to a high-yield banking structure overseas and that the returns were guaranteed. Text messages between Respondent Moore and Mr. Sabbagh reflect numerous assurances from Respondent Moore regarding the investment, expected payouts, and account processing. Vowell Aff ¶12.

10. To formalize the agreement, Respondent Moore provided a written investment contract instructing Mr. Sabbagh to send a $27,100 "account opening fee" to a foreign entity called International Finance Corporation LTD, listed as being in Berlin, Germany. Vowell Aff ¶13.

11. Believing the representations to be legitimate, Mr. Sabbagh transferred the requested funds. When Mr. Sabbagh asked for proof of the investment or updates on expected returns, Respondent Moore repeatedly told him that documents were being finalized, agreements were being signed, or that temporary delays were preventing payouts. These communications were intended to reassure the investor, yet they offered no verifiable progress. Vowell Aff ¶15.

12. Eventually, Respondent Moore stopped responding to Mr. Sabbagh's inquiries, resulting in Mr. Sabbagh filing a report with law enforcement documenting Respondent Moore's refusal to return funds or provide truthful information. Vowell Aff ¶16.

13. Respondent Moore also provided materials identifying himself as an investor or investment professional, despite not having a license or registration supporting this claim. Vowell Aff ¶ 17.

14. Additional evidence suggests that Respondent Moore has operated, or attempted to operate, other unregistered entities that appear to function in a similar manner to Alliance. Vowell Aff ¶18.

15. Director of Registration, April Odom, found that at no point were the Respondents registered with the Division in any capacity. Additionally, the investment contract that the Respondent sold was never registered with the Division. Odom Aff. ¶ 10, 11, 12, 13, 16, 17, and 18.

IV. APPLICABLE LAW

16. Tenn. Code Ann. § 48-1-102 (3) states in pertinent part:

> (3) "Agent" means any individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities from, in, or into this state. A partner, officer, director, or manager of a broker-dealer, or a person occupying similar status or performing similar functions, is an agent only if such person otherwise comes within this definition or receives compensation specifically related to purchases or sales of securities from, in, or into this state. "Agent" does not include such other persons not within the intent of this subdivision (3) as the commissioner may, by rule, exempt from this definition as not in the public interest and necessary for the protection of investors;

17. Tenn. Code Ann. § 48-1-102(4) states in pertinent part:

> (4) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others, or any person engaged in the business of buying or selling securities issued by one (1) or more other persons for such person's own account and as part of a regular business rather than in connection with such person's investment activities. "Broker-dealer" does not include:
>
> (A) Issuers, except to the extent provided in § 48-1-110(f);
> (B) An agent;
> (C) An institutional investor;

(D) A person who has no place of business in this state and who is registered as a broker-dealer with the securities and exchange commission or the Financial Industry Regulatory Authority (FINRA) or any successor regulatory entity if:

(i) The person effects transactions in this state exclusively with or through:

(a) The issuers of the securities involved in the transactions;

(b) Other broker-dealers; or

(c) Institutional investors; or

(ii) During any period of twelve (12) consecutive months, the person does not effect more than fifteen (15) transactions in securities from, in, or into this state (other than to persons specified in subdivision (4)(D)(i)); or(E) Such other persons not within the intent of this subdivision (4) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors.

18. Tenn. Code Ann. § 48-1-102 (13) states, in pertinent part:

(13) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, buying, or selling securities, or who for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities. "Investment adviser" includes a financial planner or other person who, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or who holds oneself out as providing investment advice to others for compensation. "Investment adviser" does not include:

(A) A bank (unless it is acting as an investment adviser for a registered investment company), savings institution, or trust company;

(B) A lawyer, accountant, engineer, or teacher whose performance of investment advisory services is solely incidental to the practice of such lawyer's, accountant's, engineer's, or teacher's profession;

(C) A broker-dealer whose performance of investment advisory services is solely incidental to the conduct of such person's business as a broker-dealer and who receives no special compensation for such services;

(D) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation;

(E) A person who has no place of business in this state if:

(i.) The person's only clients in this state are other investment advisers, broker-dealers, or institutional investors; or

(ii.) During any period of twelve (12) consecutive months, the person does not direct business communications into this state in any manner to more than five (5) clients (other than those specified in subdivision (13)(E)(i)), whether or not such person or any of the persons to whom the communications are directed are then present in this state; or

(F) Such other persons not within the intent of this subdivision (13) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors;

19. Tenn. Code Ann. § 48-1-102 (14) states, in pertinent part:

(A) "Investment adviser representative" means any partner, officer, or director of (or person occupying a similar status or performing similar functions) an investment adviser, or other individual, except clerical or ministerial personnel, who is employed by or associated with an investment adviser and does any of the following:
(i.) Makes any recommendation or otherwise renders advice regarding securities;
(ii.) Manages accounts or portfolios of clients;
(iii.) Determines which recommendation or advice regarding securities should be given;
(iv.) Solicits, offers, or negotiates for sale of or sells investment advisory services;
(v.) Supervises employees who perform any such actions; or
(vi.) Provides investment advice or holds oneself out as providing investment advice;

20. Tenn. Code Ann. § 48-1-102 (20) (A) and (B) state in pertinent part:

(A) Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.
(B) "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

21. Tenn. Code Ann. § 48-1-102 (21) (A) states in pertinent part:

(21)(A) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;

22. Tenn. Code Ann. § 48-1-104 states, in pertinent part:

(a) It is unlawful for any person to sell any security in this state unless:

(1) It is registered under this part;
(2) The security or transaction is exempted under § 48-1-103; or
(3) The security is a covered security.

(b) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

23. Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) state in pertinent part:

(a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes

…

(e)

(2)

(A) Notice to the affected parties (which shall be prior notice unless the commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection of investors)

24. Tenn. Code Ann. § 48-1-109(a) provides that:

(a) It is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part, except that:

(1) A bank shall be exempt from registration as a broker-dealer to the extent its activities are excepted under either the definition of "broker" in § 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(4)(B)), or the definition of "dealer" in § 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(5)(C));

(2) A person who limits such person's activity as a broker-dealer to acting solely as a broker-dealer with regard to charitable gift annuities, as that term is defined by § 56-52-102, shall be exempt from registration as a broker-dealer;

(3) A person who limits such person's activity as an agent to acting solely as an agent on behalf of a person who is eligible for the exemption from broker-dealer registration in subdivision (a)(2) shall be exempt from registration as an agent.

25. Tenn. Code Ann. § 48-1-109(c) provides that:

(c) It is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless:

(1) The person is registered as an investment adviser or investment adviser representative under this part;

(2) The person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that an initial notice filing, consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filings, ten (10) days prior to the person acting as an investment adviser; and a renewal notice filing containing such information as the commissioner by rule requires and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filing for each successive year in which such person acts as such investment adviser; every notice filing of an investment adviser expires annually, unless timely renewed, on December 31 of each year; or

(3) The person's only clients in this state are insurance companies.

26. Tenn. Code Ann. § 48-1-109(e) provides that:

The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

27. The Division is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Tenn. Code

Ann. § 48-1-116(b). In addition, the Commissioner may forgo prior notice of this Order of Cease and Desist upon a finding that prior notice is not in the public interest and would be detrimental to the protection of investors. Tenn. Code Ann. § 48-1-116(e)(2)(A).

28. King v. Pope, 91 S.W.3d 314, 322 (Tenn. 2002) states, "The appropriate test for defining an 'investment contract' under Tennessee law is the Hawaii Market test . . . ." There are four (4) elements of proof required: "(1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise." King v. Pope at 321 (quoting State by Comm'r of Sec. v. Hawaii Mkt. Ctr., Inc., 485 P.2d 105, 109 (Haw. 1971)).

V. CAUSES OF ACTION

A. The Respondents are selling unregistered securities in the state of Tennessee.

29. The Respondents' sale of a high-yield investment contract meets the elements of an investment contract under the Hawaii Market Test. An investment contract as defined in Tenn. Code Ann. § 48-1-102(21)(A) is a security. An investment contract has the following characteristics:

a. an offeree furnishes initial value to an offeror,

b. a portion of this initial value is subjected to the risks of the enterprise, and

c. the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and

d. the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise. King v. Pope, 91 S.W.3d 314, 316 (Tenn. 2002)

30. In this case, Respondents solicited Mr. Sabbagh to participate in an investment program through a contract, representing that Mr. Sabbagh would secure significant returns through a specialized overseas equity program. As the investment contract meets the elements of a security, the Respondents were required to register it with the Division. The securities sold did not meet Tennessee's requirements for an exemption under Tenn. Code Ann. §48-1-103(a)(13)(A)(i)(a). The Respondents' failure to register the securities was unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a) and provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all unregistered securities activity.

B. The Respondents are engaging in unregistered activity as broker-dealers by effecting the sale of securities in Tennessee.

31. The Respondents facilitated the sale of securities in the State of Tennessee, thereby acting as a broker-dealer. The Respondents' acceptance of payments from Mr. Sabbagh for his investment in the high-yield opportunity with Alliance constituted acting as a broker-dealer. The investment contracts sold were securities as defined in Tenn. Code Ann. § 48-1-102(20)(A). The Respondents' investment contract, which was offered for a fee, was subject to the risks of the

enterprise; the investor was promised unusually high returns, and the investor was not in control of the managerial decisions regarding the investments.

32. The Respondents were not registered with the Securities Division during this time. The Respondents' acts of selling such securities through their website and engaging in broker-dealer activities, are in violation of Tenn. Code Ann. § 48-1-109(a).

33. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(a) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist from engaging in any activity requiring registration by the Division without first obtaining registration for such activity.

C. The Respondents are engaging in investment advisory services without being registered as an investment adviser or an investment adviser representative.

34. The Respondents are offering investment advisory services by recommending securities to consumers in Tennessee, and the Respondents are not registered with the Division as an investment adviser or investment adviser representative as required under the Act.

35. The Respondents' actions of providing investment advisory services in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on Respondents as fiduciaries in providing financial advice. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(c) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all securities activity.

VI. PRAYER FOR RELIEF

THE DIVISION HEREBY REQUESTS the entry of an Order requiring, pursuant to the Act, that:

1. The Respondents shall **COMPLY** with the provisions of the Act and all rules

promulgated pursuant to the Act.

2. The Respondents shall **CEASE AND DESIST** from any further unregistered conduct as an investment adviser, investment adviser representative, broker-dealer agent, or broker-dealer from or in the State of Tennessee.

3. All persons or entities in any way assisting, aiding, or helping the Respondents in any of the aforementioned violations of the Act shall **CEASE AND DESIST** all such activities in violation of the Act.

4. In addition, the Division requests such other, further, general, or different relief to which the Division may be entitled.

Respectfully Submitted,

Courtney.Anne Smith (Jun 23, 2026 16:37:40 CDT)

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STATE OF TENNESSEE
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COMMERCE AND INSURANCE,	)	
TENNESSEE SECURITIES DIVISION	)	
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DARYL L. MOORE,	)	
And THE ALLIANCE EQUITY GROUP, LLC	)	
	)	
Respondents.	)	

EX PARTE ORDER TO CEASE AND DESIST

This Ex Parte Order to Cease and Desist ("Order") issues as the result of a Petition, and its Exhibits attached thereto, filed by the Securities Division of the Tennessee Department of Commerce and Insurance ("Division") against Daryl L. Moore ("Respondent Moore") and The Alliance Equity Group, LLC ("Respondent Alliance"), collectively ("Respondents"). This Order is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") is responsible for the administration of the Act. The Division, pursuant to Tenn. Code Ann. § 48-1-115, is the lawful agent through which the Commissioner discharges this responsibility.

2. Tenn. Code Ann. § 48-1-116 establishes that the Commissioner may execute Orders as are necessary to carry out the Act when the Commissioner finds that the action is in the public

interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

3. Respondent Moore is an individual with the last known address of 7768 Roxshire Cove, Memphis, TN 38125.

4. Alliance is an entity with a last known address at 5865 Ridgeway Center Parkway, Suite 300, Memphis, TN 38120. Alliance was formed with the Tennessee Secretary of State on June 11, 2020, and has been administratively dissolved and inactive since August 10, 2024. Respondent Moore is listed as the Registered Agent.

5. An investigation into Respondent Moore and Alliance was initiated after the Division received a complaint from Texas resident Said Sabbagh ("Mr. Sabbagh") on July 8, 2024. Mr. Sabbagh reported that Respondent Moore solicited him to participate in a high-yield investment opportunity offered through Alliance. According to Mr. Sabbagh, Respondent Moore represented that he could secure significant returns through a specialized overseas equity program, asked for an upfront "account opening fee," and assured him that the investment was legitimate and guaranteed. After transferring the required funds, Mr. Sabbagh received neither documentation confirming his investment nor any return of the money he provided.

6. Due to the allegations of Mr. Sabbagh, Order of Investigation 2024-0036 was opened on October 7, 2024.

7. The Financial Services Investigation Unit ("FSIU") discovered that Respondent Moore has been the subject of multiple police investigations in which fraud was alleged.

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14. Additional evidence suggests that Respondent Moore has operated, or attempted to operate, other unregistered entities that appear to function in a similar manner to Alliance.

15. Director of Registration, April Odom, found that at no point were the Respondents registered with the Division in any capacity. Additionally, the investment contract that the Respondent sold was never registered with the Division.

APPLICABLE LAW

16. Tenn. Code Ann. § 48-1-102 (3) states in pertinent part:

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> (i) The person effects transactions in this state exclusively with or through:
> (a) The issuers of the securities involved in the transactions;
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> (ii) During any period of twelve (12) consecutive months, the person does not effect more than fifteen (15) transactions in securities from, in, or into this state (other than to persons specified in subdivision (4)(D)(i)); or
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(B) A lawyer, accountant, engineer, or teacher whose performance of investment advisory services is solely incidental to the practice of such lawyer's, accountant's, engineer's, or teacher's profession;

(C) A broker-dealer whose performance of investment advisory services is solely incidental to the conduct of such person's business as a broker-dealer and who receives no special compensation for such services;

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(ii.) During any period of twelve (12) consecutive months, the person does not direct business communications into this state in any manner to more than five (5) clients (other than those specified in subdivision (13)(E)(i)), whether or not such person or any of the persons to whom the communications are directed are then present in this state; or

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(i.) Makes any recommendation or otherwise renders advice regarding securities;

(ii.) Manages accounts or portfolios of clients;

(iii.) Determines which recommendation or advice regarding securities should be given;

(iv.) Solicits, offers, or negotiates for sale of or sells investment advisory services;

(v.) Supervises employees who perform any such actions; or
(vi.) Provides investment advice or holds oneself out as providing investment advice;

20. Tenn. Code Ann. § 48-1-102(20)(A) and (B) state in pertinent part:

(A) Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.
(B) "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

21. Tenn. Code Ann. § 48-1-102(21)(A) states in pertinent part:

(21)(A) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;

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(b) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

23. Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) state in pertinent part:

(a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes;

…

(e)

(2)

(A) Notice to the affected parties (which shall be prior notice unless the commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection of investors)

24. Tenn. Code Ann. § 48-1-109(a) provides that:

(a) It is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part, except that:

(1) A bank shall be exempt from registration as a broker-dealer to the extent its activities are excepted under either the definition of "broker" in § 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(4)(B)), or the definition of "dealer" in § 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(5)(C));

(2) A person who limits such person's activity as a broker-dealer to acting solely as a broker-dealer with regard to charitable gift annuities, as that term is defined by § 56-52-102, shall be exempt from registration as a broker-dealer;

(3) A person who limits such person's activity as an agent to acting solely as an agent on behalf of a person who is eligible for the exemption from broker-dealer registration in subdivision (a)(2) shall be exempt from registration as an agent.

25. Tenn. Code Ann. § 48-1-109(c) provides that:

(c) It is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless:

(1) The person is registered as an investment adviser or investment adviser representative under this part;

(2) The person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that an initial notice filing, consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one

hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filings, ten (10) days prior to the person acting as an investment adviser; and a renewal notice filing containing such information as the commissioner by rule requires and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filing for each successive year in which such person acts as such investment adviser; every notice filing of an investment adviser expires annually, unless timely renewed, on December 31 of each year; or

(3) The person's only clients in this state are insurance companies.

26. Tenn. Code Ann. § 48-1-109(e) provides that:

> The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

27. The Division is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner may forgo prior notice of this Order of Cease and Desist upon a finding that prior notice is not in the public interest and would be detrimental to the protection of investors. Tenn. Code Ann. § 48-1-116(e)(2)(A).

28. King v. Pope, 91 S.W.3d 314, 322 (Tenn. 2002) states, "The appropriate test for defining an 'investment contract' under Tennessee law is the Hawaii Market test . . . ." There are four (4) elements of proof required: "(1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable

understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise." King v. Pope at 321 (quoting State by Comm'r of Sec. v. Hawaii Mkt. Ctr., Inc., 485 P.2d 105, 109 (Haw. 1971)).

CONCLUSIONS OF LAW

29. The Commissioner finds that this Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act pursuant to Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner finds that prior notice to the Respondents of this Order would not have been in the public interest and would have been detrimental to the protection of Tennessee securities consumers pursuant to Tenn. Code Ann. § 48-1-116(e)(2)(A).

A. The Respondents are selling unregistered securities in the state of Tennessee.

30. The Findings of Fact demonstrate that the Respondents were selling unregistered securities in the state of Tennessee. The Respondent's sale of a high-yield investment contract meets the elements of an investment contract under the Hawaii Market Test. An investment contract, pursuant to Tenn. Code Ann. § 48-1-102(21)(A), is a security. The securities sold did not meet Tennessee's requirements for an exemption under Tenn. Code Ann. §48-1-103(a)(13)(A)(i)(a). The Respondents' failure to register the securities was unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a) and provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all securities activity.

B. The Respondents are engaging in unregistered activity as broker-dealers by effecting the sale of securities in Tennessee.

30. The Findings of Fact demonstrate that the Respondents facilitated the sale of securities in the State of Tennessee, acting as a broker-dealer. The Respondents' acceptance of payments from Mr. Sabbagh for his investment in the high-yield opportunity with Alliance constituted acting as a broker-dealer. The securities sold were investment contracts as defined in Tenn. Code Ann. § 48-1-102(20)(A). The Respondents' action of effectuating the sales of securities while not being registered with the Division to engage in the activity was in violation of Tenn. Code Ann. § 48-1-109(a).

31. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(a) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all securities activity

C. The Respondents are engaging in investment advisory services while not being registered as an investment adviser or an investment adviser representative.

32. The Findings of Fact demonstrate that Respondents are offering investment advisory services by recommending securities to consumers in Tennessee, and the Respondents are not registered with the Division as an investment adviser or investment adviser representative as required under the Act.

33. The Respondents' actions of providing investment advisory services in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on the Respondents as fiduciaries in providing financial advice. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(c) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all securities activity.

ORDER

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. The Respondents **SHALL COMPLY** with the provisions of the Act.

2. The Respondents **SHALL CEASE AND DESIST** from engaging in any further unregistered conduct as an investment adviser, investment adviser representative, broker-dealer, or agent from or in the State of Tennessee until such time they are effectively registered with the Division to engage in such activity.

3.

4. Any persons aiding or otherwise acting in concert with the Respondent or facilitating the unlawful activities of the Respondent through operation of its social media accounts, websites, and YouTube channels to and from Tennessee, and any successor entities or individuals, **SHALL IMMEDIATELY CEASE AND DESIST** from aiding such unlawful conduct of the Respondents.

5. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which the Respondents might be engaged.

6. Entry of this Order to Cease and Desist shall not in any way restrict the Division or the Commissioner from taking further action, including the imposition of maximum civil penalties allowed under the Act, with respect to these or other possible violations of the Act, or any of the rules promulgated thereunder, by the Respondents.

7. The Respondents are advised that the right to a hearing as to all matters raised in this Order to Cease and Desist is available. If the Respondents wish to exercise the right to a hearing, please notify:

ELIZABETH H. BOWLING
ASSISTANT COMMISSIONER FOR SECURITIES

8. Such request must be received within thirty (30) days from the date of execution of this Order to Cease and Desist. This Order to Cease and Desist shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

ENTERED this 01 day of July, 2026.

Carter Lawrence (Jul 1, 2026 14:16:05 CDT)
Carter Lawrence, Commissioner

APPROVED FOR ENTRY:

Elizabeth Bowling (Jul 1, 2026 11:40:05 CDT)
Elizabeth H. Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance

Courtney.Anne Smith (Jun 23, 2026 16:37:40 CDT)
Courtney Smith, BPR #032367
Associate Counsel
500 James Robertson Parkway
Davy Crockett Tower
Nashville, TN 37243
(615) 253-9910
courtney.anne.smith@tn.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this Petition for Ex Parte Order to Cease and Desist and Ex Parte Order to Cease and Desist will be served upon the Respondent via overnight mail and email to the below enclosed address on 7 day of July, 2026.

United States Postal Service No. 9589 0710 5270 4047 4924 50

Daryl Moore
7768 Roxshire Cove,
Memphis, TN 38125

United States Postal Service No. 9589 0710 5270 4047 4924 43

Alliance Equity Group, LLC
5865 Ridgeway Center Parkway, Suite 300,
Memphis, TN 38120

Courtney.Anne Smith (Jun 23, 2026 16:37:40 CDT)

Courtney A. Smith, BPR #032367