

STATE OF MAINE
CUMBERLAND, ss

SUPERIOR COURT
CRIMINAL ACTION
DOCKET NO. CR-06-

STATE OF MAINE)

v.)

DARREN F. MCDUNNAH,)
Defendant)

A/K/A Darian Rae)

A/K/A Darien Ray)

DOB: 12/7/1959)

Height: 5'11", Weight: 210 lbs)

White Male, BL Hair, Brn Eyes)

Address:)

400 Friendship St #10)

Waldoboro, ME 04572)

3255 Wing Street)

Suite 109)

San Diego, CA 92101)

CRIMINAL INDICTMENT FOR

UNLICENSED SALE OF SECURITIES

(32 M.R.S.A. § 10301) [COUNT 1];

SALE OF UNREGISTERED SECURITIES

(32 M.R.S.A. § 10401) [COUNT 2];

SECURITIES FRAUD (32 M.R.S.A. §10201)

[COUNT 3]

THE GRAND JURY CHARGES:

**COUNT ONE
UNLICENSED SALE OF SECURITIES
(CLASS C)**

From on or about June 1, 2004 to on or about December 31, 2004 in the County of Cumberland, and State of Maine, Darren F. McDunnah, acting intentionally or knowingly, did transact business in the State of Maine as a broker-dealer or sales representative by offering to sell or selling what was in fact a security, namely a promissory note from the Phoenix Project, Inc. to Adullam Gospel Church, Inc., without being licensed to do so under the Maine Revised Securities Act, all being in violation of 32 M.R.S.A. §§ 10301 (1) and 10604 (1)(A), (6) and (7) (1999).

**COUNT TWO
SALE OF UNREGISTERED SECURITIES
(CLASS C)**

From on or about June 1, 2004 to on or about December 31, 2004 in the County of Cumberland, and State of Maine, Darren F. McDunnah, acting intentionally or knowingly, did offer to sell or sell what was in fact a security, namely a promissory note from the Phoenix Project, Inc. to Adullam Gospel Church, Inc., when such security was not, in fact, registered under the Revised Maine Securities Act, all in violation of 32 M.R.S.A. §§ 10401 & 10604(1)(A) (1999).

**COUNT THREE
SECURITIES FRAUD AND DECEPTION
(CLASS C)**

From on or about June 1, 2004 to on or about December 31, 2004, in the County of Cumberland, and State of Maine and pursuant to one scheme or course of conduct in connection with the offer, sale or purchase of any security, Darren F. McDunnah, acting intentionally or knowingly, did directly or indirectly,

- a) Employ any device, scheme or artifice to defraud;
- b) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or
- c) Engage in any act, practice or course of business which operates or would operate as a deceit upon a person.

To wit, Darren F. McDunnah did intentionally or knowingly:

- 1) Fail to disclose to the Adullam Gospel Church or its designated agents that he was not licensed under the laws of the State of Maine to sell what was in fact a security, namely the promissory note titled "Promissory Note from the Phoenix Project, Inc. [the Borrower] to Adullam Gospel Church, Inc., [the Lender]", in the principal amount of \$400,000.00;
- 2) Fail to disclose to the Adullam Gospel Church or its designated agents that the security offered and sold, namely the promissory note titled "Promissory Note from the Phoenix Project, Inc. [the Borrower] to Adullam Gospel Church, Inc., [the Lender]", in the principal amount of \$400,000.00, was not registered under the laws of the State of Maine; or
- 3) Fail to disclose to the Adullam Gospel Church or its designated agents that Darren F. McDunnah would use as his own or fail to invest as represented the moneys received from the sale of the security, namely the promissory note titled "Promissory Note from the Phoenix Project, Inc. [the Borrower] to Adullam Gospel Church, Inc., [the Lender]", in the principal amount of \$400,000.00.

All of the above was in violation of 32 M.R.S.A §§ 10201 and 10604 (1999).

A TRUE BILL

DATED:

FOREPERSON