

IN THE MATTER OF: THE SECURITIES ACT

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IN THE MATTER OF: Synergy Alliance, LLC; Synergy Alliance Two, LLC; Synergy Alliance Fourteen, LLC; Synergy Alliance Group, LLC; Synergy Capital Group, LLC; Synergy Equivest Group, LLC; Synergy Financial Corporation; Synergy Investment Corporation, LLC; Larry W. Tanner; Darin R. Knee; Billy Davis; Gerald W. Blerot; and Bruce Jeffrey Stewart

SUPPLEMENTARY STATEMENT OF ALLEGATIONS
OF STAFF OF THE MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, INTER ALIA, THAT:

A. REGISTRATION

1. Synergy Alliance Group, LLC is a Limited Liability Corporation incorporated under the laws of the States of Nevada and Florida, U.S.A., with an address of 1025 Semoran Boulevard – Suite 1093, Winter Park, Florida, U.S.A. ("Semoran Boulevard Address").
2. Synergy Alliance Two, LLC, Synergy Alliance Fourteen, LLC, Synergy Equivest Group, LLC, and Synergy Investment Corporation, LLC are Limited Liability Corporations incorporated under the laws of the State of Nevada, U.S.A., all with the Semoran Boulevard Address.
3. Synergy Capital Group, LLC is described as a Synergy Investment Company with the Semoran Boulevard Address and for which TANNER is described as the President.
4. Larry W. Tanner ("TANNER") operates out of the Semoran Boulevard Address and is described as the:
 - President of Synergy Capital Group, LLC
 - Managing Manager and/or agent for Synergy Alliance Group, LLC out of Florida
 - Manager of Synergy Alliance Two, LLC and of Synergy Alliance Fourteen, LLC
 - Managing Manager for Synergy Equivest Group, LLC.
5. Darin R. Knee ("KNEE") is described as the President of Synergy Alliance Two, LLC and of Synergy Alliance Fourteen, LLC and is located at the Semoran Boulevard Address.
6. Billy Davis ("DAVIS") is with Development Company, LLC also operating out of the Semoran Boulevard Address.
7. Gerald W. Blerot ("BLEROT") is a resident of the Province of Saskatchewan, Canada.

8. Bruce Jeffrey Stewart ("STEWART") is a resident of the Province of Manitoba, Canada.

9. At all material times none of Synergy Alliance Group, LLC, Synergy Alliance Two, LLC, Synergy Alliance Fourteen, LLC, Synergy Equivest Group, LLC, Synergy Investment Corporation, LLC, Synergy Capital Group, LLC, Synergy Financial Corporation, Synergy Alliance, LLC, TANNER, KNEE, DAVIS, BLEROT, or STEWART were registered to trade in securities under The Securities Act of Manitoba ("Act").

10. At all material times none of Synergy Alliance Group, LLC, Synergy Alliance Two, LLC, Synergy Alliance Fourteen, LLC, Synergy Equivest Group, LLC, Synergy Investment Corporation, LLC, Synergy Capital Group, LLC, Synergy Financial Corporation, or Synergy Alliance, LLC had filed a preliminary prospectus or a prospectus with The Manitoba Securities Commission ("Commission"), nor had any of them applied for or been granted an exemption order under section 20 of the Act.

11. Synergy Alliance Group, LLC, Synergy Alliance Two, LLC, Synergy Alliance Fourteen, LLC, Synergy Equivest Group, LLC, Synergy Investment Corporation, LLC, Synergy Capital Group, LLC, Synergy Financial Corporation, and Synergy Alliance, LLC did not file any reports under section 7 of the Regulation to the Act or any notice under section 91 of the Regulation to the Act with respect to any trades under section 19 of the Act or sections 90 or 91 of the Regulation.

B. DETAILS

Pre- February 8th meeting

1. In or about early February of 2003, BLEROT called Mr. D and told Mr. D about an investment opportunity in securities. BLEROT invited Mr. D to attend a presentation to be held in Winnipeg, Manitoba.
2. As a result of being contacted by BLEROT, Mr. D attended the February 8, 2003 presentation.
3. In or about late January or early February of 2003, STEWART called Mr. H to enquire as to whether he would be interested in attending an investment meeting.
4. As a result of being contacted by STEWART, Mr. H attended the meeting on February 8, 2003.
5. STEWART also called Mr. B and invited him to attend a presentation regarding an investment proposal.
6. As a result of being contacted by STEWART, Mr. B attended the meeting on February 8, 2003.

February 8, 2003 meeting

7. On February 8, 2003, Mr. D, Mr. H, and Mr. B all attended the same presentation held at a hotel in Winnipeg, Manitoba.

8. Also present at the February 8th presentation were TANNER, DAVIS, BLEROT, and STEWART.

9. At the February 8th meeting, TANNER stated the following:

- he was the president of Synergy Capital Group
- an investor who buys shares for 5¢ will have these shares bought back by TANNER's companies (Synergy) for 25¢, over approximately 2 years
- the share is in the particular project that Synergy is gathering money for and the money goes through Synergy
- they had a number of projects and if one failed the others would kick in to supply to the investor his return ratio
- the minimum amount of investment was \$10,000 USD
- the return on \$10,000 was 3:1
- for forms to invest, contact KNEE at Synergy's office, for which a phone number was given
- for the Rum Cay project, the investment had to be at least \$50,000 USD as there would be only 34 investors and \$2 million dollars of capital was sought.

10. At the February 8th meeting, DAVIS also spoke. He was interested in raising money for his own venture through Synergy. DAVIS described how he owned property on Rum Cay Island in the Bahamas. DAVIS needed money from Synergy to make improvements and then sell the improved lots at a much higher price.

11. DAVIS encouraged those at the meeting to invest in Synergy.

12. At the February 8th meeting, BLEROT also spoke. BLEROT explained that he had become involved with Synergy and that it was a really good opportunity to make money.

13. At the February 8th meeting, business cards for TANNER, DAVIS and BLEROT and a brochure on Rum Cay Island were distributed.

Post-February 8th meeting

(Contact with Mr. D)

14. On or about February 10, 2003, Mr. D received from KNEE a facsimile transmission which included the following documents:

(a) a cover page that:

- bore the name of Synergy Alliance Group, LLC
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- identified the transmission as having been sent from a fax number in Florida stated as belonging to Synergy Alliance Group, LLC
- identified KNEE as having sent the transmission
- purported to have been authored by TANNER as Managing Manager
- attached a Founding Member Subscription Agreement ("Subscription Agreement") and a Registered Limited Liability Company Agreement ("Registered LLC Agreement")
- provided instructions for the completion of the Subscription Agreement and the Registered LLC Agreement
- directed the return of the complete agreements, together with the consideration, to Synergy Investment Corporation in Florida
- identified KNEE and TANNER as contacts in the event of any questions;

(b) a Subscription Agreement that:

- identified the parties as Synergy Alliance Two, LLC, naming KNEE as president, and Mr. D
- stated the amount of consideration as \$15,000.00 USD and the return investment ratio as 3.25 to 1
- identified BLEROT as the founding member in relation to Mr. D; and

(c) a Registered LLC Agreement.

15. BLEROT later contacted Mr. D to enquire whether Mr. D had received the documents from KNEE.

(Contact with Mr. H)

16. On or about February 10 or 11, 2003, BLEROT contacted Mr. H.

17. BLEROT arranged a 3-way telephone call between himself, Mr. H and KNEE.

18. Following the 3-way call, on or about February 12 and/or 13, 2003, Mr. H received from KNEE by facsimile transmission the following documents:

(a) a cover page that:

- bore the name of Synergy Equivest Group, LLC
- identified the transmission as having been sent from a fax number in Florida stated as belonging to Synergy Alliance Group, LLC
- identified KNEE as having sent the transmission
- purported to have been authored by TANNER as Managing Manager
- provided instructions for the completion of the Subscription Agreement and the Registered LLC Agreement
- directed the return of the completed agreements to Synergy Investment Corporation in Florida

- directed the forwarding of the consideration for the investment either to Synergy Investment Corporation or to a bank account in the name of Synergy Equivest Group, LLC
- identified KNEE and TANNER as contacts in the event of any questions;

(b) a Subscription Agreement that:

- identified the parties as Synergy Alliance Fourteen, LLC, naming KNEE as president, and Mr. H
- stated the amount of consideration as \$75,000.00 USD and the return investment ratio as 5.0 to 1
- identified BLEROT as the founding member in relation to Mr. H;

(c) a Registered LLC Agreement; and

(d) a document entitled Synergy Alliance, LLC, Founding Member Buy-Back Summaries that:

- set out the amount of return on investment, or "Buy-Back Multiples", which, depending upon the amount invested, started at 3:1, for a Minimum Investment of \$10,000, up to as high as 8:1.

19. On or about February 12, 2003, Mr. H was contacted by STEWART.

20. STEWART enquired as to whether Mr. H wanted a 3-way call with a representative of Synergy. Mr. H informed STEWART that he had already participated in a 3-way call, arranged by BLEROT.

(Contact with Mr. B)

21. On or about February 10 or 11, 2003, BLEROT followed up with Mr. B by calling him to enquire as to whether he was interested in investing.

Trading to an Investigator of the Commission

22. On January 2, 2003, an advertisement appeared in The Western Producer newspaper which included the statement "Invest in a tax free environment" and provided a toll free number ("2003 ad").

23. In February of 2003, an Investigator with the Commission, using an alias, responded to the 2003 ad by calling the toll free number.

24. On or about February 12, 2003, the Investigator's call was returned by BLEROT.

25. BLEROT explained to the Investigator that he was a shareholder with Synergy Alliance Group and that he was involved in a venture returning huge huge yields. BLEROT further described to the Investigator an investment scenario to the effect that:

- you invest in a company, by buying shares at 5¢ and the company buys back the shares at 15 - 40¢
- Synergy is the company that buys back the shares from the investor
- the investor has a contract with Synergy
- Synergy uses the money with which the investor has purchased shares, to invest into different companies that are looking for funds to use in their business, and Synergy gets a % of the gross revenue of those companies
- Synergy forms an alliance with the company Synergy is investing in and that alliance issues shares to the investors at 5¢
- the return is over a 2 year period
- the rate of return is between 3:1 and 8:1, depending on how much you put in. Blerot provided an example that \$10,000.00 would give you \$30,000.00 over a 2 year period.

26. BLEROT provided a toll free number for Synergy's office for the Investigator to call if he wanted to proceed further and advised him to ask for KNEE. KNEE in turn would then contact BLEROT.

27. On or about February 12, 2003, the Investigator contacted KNEE, at Synergy.

28. KNEE confirmed he was the one from whom documentation could be obtained.

29. KNEE explained the investment scenario and payback of shares including the following:

- the minimum investment was \$10,000 USD
- you are purchasing shares into Synergy at 5¢ a share
- if for example the rate of return is 5:1, then Synergy agrees to repurchase all the shares at 25¢ a share, based on the gross revenue Synergy receives from the project into which Synergy invests
- the amount of return, or multiple, cannot change
- it is an equity investment.

30. On or about February 13, 2003, KNEE forwarded to the Investigator a facsimile transmission which included the following documents:

(a) a cover page that:

- bore the name of Synergy Equivest Group, LLC
- identified the transmission as having been sent from a fax number in Florida stated as belonging to Synergy Alliance Group, LLC
- identified KNEE as having sent the transmission
- purported to have been authored by TANNER as Managing Manager

- attached a Subscription Agreement and a Registered LLC Agreement
- provided instructions for the completion of the Subscription Agreement and the Registered LLC Agreement
- directed the return of the completed agreements to Synergy Investment Corporation in Florida
- directed the forwarding of the consideration for the investment either to Synergy Investment Corporation or to a bank account in the name of Synergy Equivest Group, LLC
- identified KNEE and TANNER as contacts in the event of any questions;

(b) a Subscription Agreement that:

- identified the parties as Synergy Alliance Fourteen, LLC, naming KNEE as president, and the Investigator
- stated the amount of consideration as \$75,000.00 USD and the return investment ratio as 5.0 to 1
- identified BLEROT as the founding member in relation to the Investigator; and

(c) a Registered LLC Agreement.

31. On February 12, 2003, the Investigator spoke with TANNER who confirmed that:

- they have a subscription where they buy back their shares from their members
- the multiples (returns) are guaranteed
- the minimum investment is \$10,000.00 USD
- they have some Canadian investors.

C. ALLEGATIONS

1. Staff of the Commission allege that:

(a) Synergy Alliance Group, LLC, Synergy Alliance Two, LLC, Synergy Alliance Fourteen, LLC, Synergy Equivest Group, LLC, Synergy Investment Corporation, LLC, Synergy Capital Group, LLC, TANNER, KNEE, DAVIS, BLEROT, and/or STEWART traded in securities without having been registered and without prospectus in contravention of sections 6 and 37 of the Act;

and that due to these allegations, Synergy Alliance Group, LLC, Synergy Alliance Two, LLC, Synergy Alliance Fourteen, LLC, Synergy Equivest Group, LLC, Synergy Investment Corporation, LLC, Synergy Capital Group, LLC, TANNER, KNEE, DAVIS, BLEROT, and/or STEWART should not be entitled to use any of the exemptions set out in the Act and should not be entitled to participate in the exempt markets in Manitoba in the future.

2. Such further and other matters as counsel may advise and the Commission may permit.

DATED at Winnipeg, Manitoba this "11th" day of July, 2003.

TO: Synergy Alliance, LLC
AND TO: Synergy Alliance Two, LLC
AND TO: Synergy Alliance Fourteen, LLC
AND TO: Synergy Alliance Group, LLC
AND TO: Synergy Capital Group, LLC
AND TO: Synergy Equivest Group, LLC
AND TO: Synergy Financial Corporation
AND TO: Synergy Investment Corporation, LLC
AND TO: Larry W. Tanner
AND TO: Darin R. Knee
AND TO: Billy Davis
AND TO: Gerald W. Blerot
AND TO: Bruce Jeffrey Stewart