

BrokerCheck Report

JAMES CHARLES ALLEN

CRD# 2666395

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



JAMES C. ALLEN

CRD# 2666395

This broker is not currently registered.

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 1 Principal/Supervisory Exam
- 1 General Industry/Product Exam
- 1 State Securities Law Exam

Registration History

This broker was previously registered with the following securities firm(s):

- B THE PATRIOT GROUP SECURITIES**
CRD# 137904
RICHARDSON, TX
02/2006 - 06/2011
- B DIESEL ENERGY INTERNATIONAL, L.L.C.**
CRD# 104484
DALLAS, TX
05/2001 - 11/2002
- B LONE STAR SECURITIES, INC.**
CRD# 20452
ADDISON, TX
03/2000 - 04/2001

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 1 principal/supervisory exam, 1 general industry/product exam, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
B Direct Participation Programs Principal Examination	Series 39	01/20/2006

General Industry/Product Exams

Exam	Category	Date
B Direct Participation Programs Representative Examination	Series 22	12/05/2005

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	02/07/2006

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 02/2006 - 06/2011	THE PATRIOT GROUP SECURITIES	137904	RICHARDSON, TX
B 05/2001 - 11/2002	DIESEL ENERGY INTERNATIONAL, L.L.C.	104484	DALLAS, TX
B 03/2000 - 04/2001	LONE STAR SECURITIES, INC.	20452	ADDISON, TX
B 07/1996 - 06/1998	TEXAKOMA FINANCIAL, INC.	16910	PLANO, TX
B 04/1996 - 06/1996	HRH SECURITIES, INC.	25614	DALLAS, TX
B 10/1995 - 05/1996	TEXAKOMA FINANCIAL, INC.	16910	PLANO, TX

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
11/2002 - Present	PATRIOT OIL & GAS LLC	OWNER	N	RICHARDSON, TX, United States

Disclosure Events



What you should know about reported disclosure events:

- 1. Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Final	On Appeal
Regulatory Event	2	0



Disclosure Event Details

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	11/05/2012
Docket/Case Number:	2011025622602
Employing firm when activity occurred which led to the regulatory action:	THE PATRIOT GROUP SECURITIES
Product Type:	Oil & Gas
Allegations:	FINRA RULES 2010, 8210, NASD RULE 2110 - JAMES ALLEN, WHILE ACTING AS PRESIDENT OF HIS MEMBER FIRM, PERMITTED THE SALE AND DISTRIBUTION OF PRIVATE PLACEMENT MEMORANDUMS (PPMS) FOR FOUR OIL AND GAS OFFERINGS. THE FIRST THREE OFFERINGS CONTAINED A REPRESENTATION THAT THE OIL AND GAS COMPANY WAS EMPLOYING A NEW DRILLING TECHNIQUE AND PREDICTED IT WOULD INCREASE PRODUCTION OF THE WELLS BY A FACTOR OF FIVE TO TEN TIMES OVER WHAT THE FIELD HAD PRODUCED BUT THE PPMS FAILED TO CONTAIN A BALANCED DISCUSSION OF THE DRILLING TECHNIQUES, INCLUDING POTENTIAL RISKS ASSOCIATED WITH THE PROCESS. THE COMPANY AND ALLEN KNEW THERE WERE PROBLEMS WITH OBTAINING COMMERCIAL PRODUCTION FROM THE WELLS THAT HAD USED THIS TECHNIQUE. THE PPM FOR ONE WELL PROGRAM INDICATED THAT THE PROGRAM FOR ANOTHER WELL PROGRAM WAS IN THE COMPLETION STAGE WHEN ANOTHER PPM INDICATED IT WAS NOT PRODUCING. IN FACT, NOT ALL OF THE FIVE WELLS IN ONE PROGRAM WERE COMPLETED AND THE WELLS WERE NOT PRODUCING COMMERCIAL QUANTITIES OF OIL, WHEN THE OFFERINGS COMMENCED. EACH OF THE MISREPRESENTED OR OMITTED FACTS WOULD HAVE BEEN MATERIAL TO



A REASONABLE INVESTOR IN CONNECTION WITH INVESTMENT DECISIONS. ALLEN NEGLIGENTLY FAILED TO ENSURE THAT THE PPMS DID NOT CONTAIN MATERIAL MISREPRESENTATIONS OR OMITTED MATERIAL FACTS. ALLEN FAILED TO RESPOND TO A FINRA REQUEST TO APPEAR AND TESTIFY.

Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	11/05/2012
Sanctions Ordered:	Bar (Permanent)
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No
(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?	



(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Bar (Permanent)
Capacities Affected:	ANY CAPACITY
Duration:	Indefinite
Start Date:	11/05/2012
End Date:	

**Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, ALLEN CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY.

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: PENNSYLVANIA CONTACT: COUNSEL LARRY VICTUM (412)-565-5083

Sanction(s) Sought: Civil and Administrative Penalty(ies)/Fine(s)

Date Initiated: 08/07/2012

Docket/Case Number: 2011-05-01

URL for Regulatory Action:

Employing firm when activity occurred which led to the regulatory action:

Product Type: Other: UNITS (INTERESTS IN OIL & GAS PROJECT)

Allegations: JAMES C. ALLEN OFFERED FOR SALE UNITS TO AT LEAST ONE PA RESIDENT WHICH WERE NEITHER REGISTERED NOR EXEMPT FROM REGISTRATION ACCORDING TO THE PA SECURITIES ACT OF 1972 AND REFUSED TO FURNISH INFORMATION REASONABLY REQUESTED BY THE COMMISSION.

Current Status: Final

Resolution: Settled

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Resolution Date: 08/07/2012

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)
Monetary Penalty other than Fines

Monetary Sanction 1 of 2



Monetary Related Sanction: Monetary Penalty other than Fines

Total Amount: \$1,000.00

Portion Levied against individual: \$1,000.00

Payment Plan:

Is Payment Plan Current: Yes

Date Paid by individual: 08/07/2012

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$4,000.00

Portion Levied against individual: \$4,000.00

Payment Plan:

Is Payment Plan Current: Yes

Date Paid by individual: 08/07/2012

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO JAMES C. ALLEN AND OTHER NAMED RESPONDENT.

End of Report



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