

STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS

**TO: Tyree McIntyre**  
**Michael Thomas**  
**Mack A. McConnell a.k.a. Mac McConnell**  
**BlueTown**  
**Sovereign Equity, L.L.C.**  
55 Springtown Center, #144  
Vallejo, CA 94591

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Blue Town is or was a California business entity of unknown formation doing business in California at 585 63<sup>rd</sup> Street, Oakland, CA, 94609 or 55 Springtown Center, #144, Vallejo, CA, 94591. Blue Town is purportedly in the business of purchasing and managing various real estate properties and real estate related investments.
2. At all relevant times, Tyree McIntyre (herein “McIntyre”) is or was an individual doing business in California at 585 63<sup>rd</sup> Street, Oakland, CA, 94609 or 1812 Brentz Avenue, San Pablo, CA, 94806. McIntyre is or was a principal of Blue Town and represented to others that he is or was the “owner” of Blue Town.
3. At all relevant times, Sovereign Equity Group, L.L.C. (herein “Sovereign”) is a California limited liability company doing business in California at 55 Springtown Center, #144, Vallejo, CA, 94591. Sovereign is purportedly in the business of bookkeeping and managing various real estate properties and real estate related investments.
4. At all relevant times, Mack A. McConnell a.k.a. Mac McConnell (herein “McConnell”) and Michael Thomas (herein “Thomas”) are individuals doing business in California who are or were located 55 Springtown Center, #144, Vallejo, CA, 94591. McConnell and Thomas, at all relevant times, are or were “co-principals” of Sovereign. Specifically, McConnell represented to others that he is or was the “owner” and “manager” of Sovereign.

1 5. Beginning in or about 2006, Blue Town, Sovereign, Thomas, McConnell, and McIntyre  
2 offered and sold securities in the form of investment contracts. Pursuant to the terms of these  
3 investment contracts, a California investor would pay to Blue Town at least \$50,000.00 for the  
4 purpose of investing in the purchase of at least ten (10) single-family homes located in or about  
5 Southfield, Michigan, in exchange for a monthly profit on monies invested. Blue Town and  
6 Sovereign would repair and maintain purchased properties and remit a portion of monthly profits  
7 based on monies invested to California investors from rental or sale of the purchased properties.

8 6. Beginning in or about 2006, Blue Town, Sovereign, Thomas, McConnell, and McIntyre  
9 offered and sold the above described investment contracts in the State of California.

10 7. These investment contracts were offered and sold in California in issuer transactions. The  
11 Department of Corporations has not issued a permit or other form of qualification authorizing any  
12 person to offer and sell these investment contracts in California.

13 8. Beginning in or about 2006, Blue Town, Sovereign, Thomas, McConnell, and McIntyre  
14 represented to investors that investors would receive a profitable return on their investment, each  
15 investor would receive monthly income checks as profit from their initial investment, each property  
16 purchased with investment monies was or would be insured, and all monies invested would be easily  
17 returned to investors at anytime investors requested. These representations made by Blue Town,  
18 Sovereign, Thomas, McConnell, and McIntyre to California investors were false.

19 Based on the foregoing findings, the California Corporations Commissioner finds that the  
20 investment contracts sold by Tyree McIntyre, Michael Thomas, Mack A. McConnell a.k.a. Mac  
21 McConnell, Blue Town, and Sovereign Equity, L.L.C., are securities subject to qualification under  
22 the California Corporations Code. These securities are or were offered and sold without being  
23 qualified or exempt, in violation of Section 25110 of the California Corporations Code.

24 Further, the California Corporations Commissioner is of the opinion that the securities in the  
25 form of investment contracts were offered or sold in this State by means of a written or oral  
26 communication which included an untrue statement of material fact or omitted to a state material fact  
27 necessary to make the statement made, in the light of the circumstances under which they were made,  
28 not misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

1 Pursuant to section 25532 of the Corporate Securities Law of 1968, Tyree McIntyre, Michael  
2 Thomas, Mack A. McConnell a.k.a. Mac McConnell, Blue Town, and Sovereign Equity, L.L.C. are  
3 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security  
4 in the State of California, including but not limited to investment contracts, by means of any written  
5 or oral communication which includes an untrue statement of material fact or omits to state a material  
6 fact necessary in order to make the statements made, in the light of circumstances under which they  
7 were made, not misleading.

8 Pursuant to Section 25532 of the California Corporations Code, Tyree McIntyre, Michael  
9 Thomas, Mack A. McConnell a.k.a. Mac McConnell, Blue Town, and Sovereign Equity, L.L.C. are  
10 hereby ordered to desist and refrain from the further offer or sale in the State of California of  
11 securities, including investment contracts, unless and until qualification has been made under said  
12 law or unless exempt.

13 This Order is necessary, in the public interest, for the protection of investors and consistent  
14 with the purposes, policies, and provisions of the California Corporations Code.

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17 Dated: June 3, 2008  
Sacramento, California

18 PRESTON DUFAUCHARD  
California Corporations Commissioner

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21 By \_\_\_\_\_  
ALAN S. WEINGER  
22 Lead Corporations Counsel  
Enforcement Division  
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