

1 County, Washington. Ensentech's registered agent is Rolan Campbell. Campbell's address is
2 960 Bollen Circle, Gardnerville, Nevada.

3 2. Gary G. Scott ("Scott") is the president of Ensentech.

4 3. Hydro-Clean Fuel Systems, Inc. ("Hydro-Clean"), a Nevada Corporation and
5 "sister company" to Ensentech, is purportedly developing a two stroke generator fueled by a
6 clean system with its principal place of business in Utah. Hydro-Clean's two stroke generator
7 is allegedly compatible with the Ensentech material moving system. Hydro-Clean's
8 registered agent is Rolan Campbell. Campbell's address is 960 Bollen Circle, Gardnerville,
9 Nevada.

10 4. Gary L. Davis ("Davis") is the president of Hydro-Clean.

11 Other Proceedings

12 5. The Utah Securities Division filed an Order to Show Cause against Hydro-
13 Clean, Gary L. Davis, Cyndy Pedersen, Ensentech, Gary L. Scott, and Jan W. Carlson on or
14 about August 25, 2005 alleging Hydro-Clean, Gary L. Davis, Cyndy Pedersen, Ensentech,
15 Gary L. Scott, and Jan W. Carlson offered and sold unregistered securities.

16 Description of the Offering

17 6. Starting in at least mid-1998 and continuing through at least September of 2004,
18 Respondents offered and sold stock in Ensentech and Hydro-Clean to at least fourteen
19 Washington residents.

20 7. Of the fourteen Washington residents, Scott directly offered and sold stock in
21 Ensentech to at least one Washington resident in or around August 1998 and to at least two
22 Washington residents through at least early 2001. Scott also offered and sold stock in Hydro-
23 Clean starting in mid-2003 to at least two Washington residents.

1 Misrepresentations and Omissions

2 8. Respondents failed to provide investors material information about the
3 investments described above, including, but not limited to, the risks associated with the
4 investment, and the financial statements of the companies.

5 Registration Status

6 9. Ensentech is not registered to sell securities in the state of Washington and has
7 not previously been so registered.

8 10. Gary G. Scott is not registered as a securities salesperson or broker-dealer in the
9 state of Washington and has not previously been so registered.

10 11. Hydro-Clean is not registered to sell securities in the state of Washington and
11 has not previously been so registered.

12 12. Gary L. Davis is not registered as a securities salesperson or broker-dealer in the
13 state of Washington and has not previously been so registered.

14 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

15
16 **CONCLUSIONS OF LAW**

17 1. The offer and/or sale of Ensentech, Inc. and Hydro-Clean Fuel Systems, Inc.
18 stock described above constitute the offer and/or sale of a security as defined in RCW
19 21.20.005 (10) and (12).

20 2. The offer and/or sale of said securities by Respondents, Ensentech, Inc., Gary G.
21 Scott, Hydro-Clean Fuel Systems, Inc., and Gary L. Davis, was made in violation of RCW
22 21.20.140 because no registration for such offer and/or sale is on file with the Securities
23 Administrator of the state of Washington.

1 employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section
2 of the Securities Act of Washington.

3 IT IS FURTHER AGREED AND ORDERED that, for a period of five (5) years from
4 the date of entry of this Consent Order the availability of exemptions from registration
5 provided by RCW 21.20.320 as to each Respondent and any entity in which Respondents may
6 act as officer or director are hereby conditioned upon the following:

- 7 (1) Respondents must file an offering circular with the Securities Administrator
8 thirty business days prior to making any offer to sell any security undertaken in
9 reliance upon any of the aforementioned exemptions; and
10 (2) The Securities Administrator must acknowledge receipt of the offering circular,
11 and must not disapprove of the offering.

12 IT IS FURTHER AGREED that, for a period of five (5) years from the date of entry of
13 this Consent Order, Respondents must file an offering circular with the Securities
14 Administrator ten business days prior to making any offer to sell any security undertaken in
15 reliance upon the Securities Act of 1933, Regulation D, Rule 230.506 and WAC-44A-506.

16 IT IS FURTHER AGREED AND ORDERED that Respondents, Ensentech, Inc.,
17 Hydro-Clean Fuel Systems, Inc., Gary G. Scott, and Gary L. Davis, their agents and
18 employees, affiliates and successors, each shall disclose the existence of this Order in any
19 prospectus or offering circular to be used in conjunction with the offer or sale of any security
20 in the State of Washington.

21 IT IS FURTHER AGREED that Respondents, Ensentech, Inc., Hydro-Clean Fuel
22 Systems, Inc., Gary G. Scott, and Gary L. Davis, shall pay to the Securities Division the costs,
23

1 fees, and other expenses incurred in the investigation of this matter in the amount of \$5,000
2 on or before the date of entry of this order.

3 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this
4 Order.

5 IT IS FURTHER AGREED that in consideration of the foregoing Respondents,
6 Ensentech, Inc., Hydro-Clean Fuel Systems, Inc., Gary G. Scott, and Gary L. Davis, waive
7 their rights to a hearing in this matter and judicial review of this order pursuant to RCW
8 21.20.440 and Chapter 34.05 RCW.

9
10 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

11
12 SIGNED this 6th day of October, 2006.

13 Approved as to entry:

14 _____
15 /s/
16 Shannon McDougald, WSBA #24231
17 Attorney for Respondents

18 Signed by:
19 Ensentech, Inc.

20 _____
21 /s/
22 Gary Scott, President

23 Signed by:
24 Hydro-Clean Fuel Systems, Inc.

23 /s/
24 Gary Davis, President

CONSENT ORDER

1 Signed by:

2

_____/s/_____

3 Gary Scott, individually

4

Signed by:

5

_____/s/_____

6 Gary Davis, individually

7

8

THIS ORDER DATED AND ENTERED THIS 11th DAY OF October, 2006 BY:

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Michael E. Stevenson

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MICHAEL E. STEVENSON
Securities Administrator

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Approved by:

Presented by:

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Martin Cordell

Dylan Waits

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Martin Cordell
Chief of Enforcement

Dylan Waits
Financial Legal Examiner

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