

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-12-0906-13-FO01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) ENTRY OF FINDINGS OF FACT AND CONCLUSIONS  
 ) OF LAW AND FINAL ORDER TO CEASE AND DESIST  
Dinotech Corporation; Ruby Knighton, ) AND TO IMPOSE FINES  
 )  
Respondents. )

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On November 7, 2012, the Securities Administrator of the state of Washington issued S-12-0906-12-SC01 hereinafter referred to as the Statement of Charges. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing" and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing," were served on Respondents, Dinotech Corporation and Ruby Knighton, on January 7, 2013. The Notice of Opportunity for Hearing advised Respondents, Dinotech Corporation and Ruby Knighton, that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Respondents, Dinotech Corporation and Ruby Knighton, failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against the Respondents to cease and desist from violations of the Securities Act.

The Securities Administrator makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

Parties

1. Dinotech Corporation ("Dinotech") is a Nevada Domestic Corporation with its principal place of business at 3030 LBJ, Dallas, TX 75234.
2. Ruby Knighton ("Knighton") is the President, Secretary, Treasurer and sole Director of Dinotech, and held these titles at all times relevant to this Statement of Charges. Knighton is a resident of the State of Texas and was a resident of the State of Texas at all times relevant to this Statement of Charges.

1 Nature of the Offering

2 3. Starting in about 2005, Dinotech began offering shares of common stock at \$1 per share in order to explore  
3 and operate oil and gas wells. In July of 2005, a Washington resident living in Snohomish, Washington, received an  
4 unsolicited phone call from a Dinotech salesperson. The salesperson told the Washington resident about the Dinotech  
5 offering. The salesperson told the Washington resident that Dinotech possessed oil and gas wells that were producing  
6 oil and gas. The salesperson also told the Washington resident that Dinotech possessed patent right to a process for  
7 using ultrasonic waves to purify low grade crude oils and make them more valuable. The salesperson told the  
8 Washington resident that using this tool would allow Dinotech to operate wells that had previously been considered  
9 “dry” to produce marketable oil. The salesperson made no verbal disclosure of risk to the Washington resident.

10 4. The Washington resident also talked on the phone with Knighton about the investment in Dinotech. Knighton  
11 confirmed what the salesperson told the Washington resident. Knighton made no disclosures of risk to the  
12 Washington resident during their phone call.

13 5. Prior to the July 2005 unsolicited phone call, the Washington resident had no prior relationship with Knighton  
14 or Dinotech.

15 6. The Washington resident completed a subscription agreement and invested \$20,000 on August 11, 2005. For  
16 the investment, the Washington resident received a certificate for 20,000 shares of Dinotech common stock as well as  
17 warrants to purchase 10,000 additional shares of Dinotech common stock at the \$1 per share price.

18 7. Starting in late 2005, Knighton began sending announcements via e-mail to the Washington resident, as well  
19 as other investors around the country, which stated Dinotech was going to make an initial public offering soon.  
20 Knighton told investors that the price per share of Dinotech stock would likely increase upon the initial public  
21 offering, potentially yielding a 1,200% return on investment. On March 20, 2007, Knighton emailed the Washington  
22 resident, along with other investors, and stated that while she believed an initial public offering was going to take  
23 place soon, she would refund the money of any investor who requested it on the basis that the initial public offering  
24 was not being made as quickly as planned.

25 8. The Washington resident mailed Knighton a letter dated March 21, 2007, requesting his investment back.  
Knighton did not respond to his written request.

9. No public offering of Dinotech stock was ever made.

10. The Washington investor never received any return on his investment as of the date of the Statement of  
Charges.

23 Misrepresentations and Omissions

24 11. Respondents failed to provide the Washington resident with material information regarding an investment in  
25 Dinotech stock including a disclosure document, prospectus or similar written document describing the risks of

1 purchasing Dinotech shares. In particular, Respondents failed to provide the Washington resident with a current  
2 financial statement from Dinotech.

3 Respondents misrepresented that Dinotech possessed producing oil and gas wells at the time Dinotech solicited  
4 the Washington resident, when in fact Dinotech did not possess any producing oil or producing gas wells.  
5 Respondents also misrepresented that Dinotech possessed patent rights in technology to improve the quality of low  
6 grade crude oil in order to induce the Washington investor to invest. The United States Patent and Trademark Office's  
7 patent search function located at <http://www.uspto.gov/patents/process/search/> discloses no patents owned by or  
8 assigned to Dinotech or Knighton.

9 Registration Status

10 12. Dinotech is not currently registered to sell securities in the state of Washington and has not previously been  
11 so registered. Dinotech has not filed a claim of exemption from registration.

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

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

15 **CONCLUSIONS OF LAW**

16 **I.**

17 The offer and/or sale of Dinotech shares and warrants described above constitute the offer and/or sale of a  
18 security as defined in RCW 21.20.005(14) and (17) as stock, options, an investment contract, risk capital, an evidence  
19 of indebtedness or some combination thereof.

20 **II.**

21 The offer and/or sale of said securities was in violation of RCW 21.20.140 because no registration for such  
22 offer and/or sale is or has even been on file with the Securities Administrator.

23 **III.**

24 Ruby Knighton has violated RCW 21.20.040(1) by offering and/or selling said securities while not being  
25 registered as a securities salesperson or broker-dealer in the state of Washington.

**IV.**

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because Dinotech and Ruby  
Knighton did not inform the Washington resident of the risks of investing in Dinotech nor did they give him a  
financial statement. Respondents also made misrepresentations about the assets of Dinotech that caused the

1 Washington resident to invest. Dinotech and Knighton also misrepresented that they would refund the Washington  
2 resident's investment upon receipt of a letter requesting a refund.

3 **FINAL ORDER**

4 Based upon the foregoing and finding it in the public interest:

5 IT IS HEREBY ORDERED that the Respondents, Dinotech Corporation and Ruby Knighton, their agents and  
6 employees each shall cease and desist from offering and/or selling securities in any manner in violation of RCW  
7 21.20.140, the section of the Securities Act of Washington requiring registration.

8 IT IS FURTHER ORDERED that the Respondents, Dinotech Corporation and Ruby Knighton, their agents  
9 and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act  
10 of Washington.

11 IT IS FURTHER ORDERED that the Respondent, Ruby Knighton, her agents and employees each shall  
12 cease and desist from violating RCW 21.20.040, the broker-dealer and securities salesperson registration section of  
13 the Securities Act of Washington.

14 IT IS FURTHER ORDERED that the Respondents, Dinotech Corporation and Ruby Knighton, shall be  
15 jointly and severally liable for and shall pay a fine in the amount of \$10,000.

16 **AUTHORITY AND PROCEDURE**

17 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.110 and 21.20.390, and is subject to  
18 the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondents have the right to petition the superior court  
19 for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the requirements for  
20 Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this  
21 Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior  
22 Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.  
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2 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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4 SIGNED and ENTERED this 30th day of January 2013.

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10 William M. Beatty  
Securities Administrator

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12 Approved by:

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12 Reviewed by:

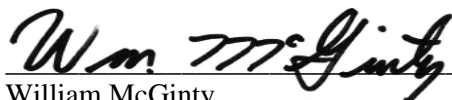
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15 Suzanne Sarason  
Chief of Enforcement

15 Jack McClellan  
Financial Legal Examiner Supervisor

16 Presented by:

17 

18 William McGinty  
Financial Legal Examiner