

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

IN THE MATTER OF DETERMINING) Order No.: S-12-1066-16-FO11
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,
Stephen M. Thompson; Leland Energy, Inc.;) TO IMPOSE FINES, AND TO CHARGE COSTS, AS TO
Mongolia Holdings, Inc. f/k/a Consolidation)
Services, Inc.; Leland Kentucky Holdings, Inc.;) JOSEPH FINATERI
Leland Colorado Holdings, Inc.; Samson)
Investment Group, LLC; Samson Energy Group,)
LLC; Leland Tennessee Holdings, Inc.; The)
Appalachian Drilling Fund II, LLP; The Knox)
Drilling Fund, LLP; The Knox Drilling Fund II,)
LLP; Green County Energy Fund, LLP; Rodgers)
Production Revenue Fund, LLP; Block City)
Drilling Fund, LLP; Energy Production Revenue)
Fund, LLP; Production Revenue Drilling Fund,)
LLP; Asset Management Drilling Fund, LLP; Weld)
County Drilling Fund, LLP; Wattenberg Drilling)
Fund, LLP; Wattenberg Drilling Fund II, LLP;)
Greeley Wattenberg Drilling Fund, LLP; Samson)
Wattenberg Drilling Fund, LLP; The Presidents)
Fund, LLP; The Leland Energy Fund, LLP; The)
Leland Energy Fund II, LLP; Joseph Finateri; Jerel)
Richardson; Kirtan Khalsa; Clifford V. Aaron;)
Ronelle Vallejo a/k/a Ron Vale; Rudolpho Gomez)
a/k/a Rudy Gomez; Michael Forman; William)
Marlin; and Elvis R. Mendes a/k/a Ron Mendes,)
)
Respondents.)
)

On April 20, 2015, the Securities Administrator of the state of Washington issued order number S-12-1066-13-SC01, a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs (Statement of Charges”), against Respondents Stephen M. Thompson; Leland Energy, Inc.; Mongolia Holdings, Inc. f/k/a Consolidation Services, Inc.; Leland Kentucky Holdings, Inc.; Leland Colorado Holdings, Inc.; Samson Investment Group, LLC; Samson Energy Group, LLC; Leland Tennessee Holdings, Inc.; The Appalachian Drilling Fund II, LLP; The Knox Drilling Fund, LLP; The Knox Drilling Fund II, LLP; Green County Energy Fund, LLP; Rodgers Production Revenue Fund, LLP; Block City Drilling Fund, LLP; Energy Production Revenue Fund, LLP; Production Revenue Drilling Fund, LLP; Asset Management Drilling Fund, LLP; Weld County Drilling Fund, LLP; Wattenberg Drilling Fund, LLP; Wattenberg Drilling Fund II, LLP; Greeley Wattenberg Drilling Fund, LLP;

1 Samson Wattenberg Drilling Fund, LLP; The Presidents Fund, LLP; The Leland Energy Fund, LLP; The Leland
2 Energy Fund II, LLP; Joseph Finateri; Jerel Richardson; Kirtan Khalsa; Michael Forman; Ronelle Vallejo a/k/a Ron
3 Vale; Clifford V. Aaron; Rudolpho Gomez a/k/a Rudy Gomez; William Marlin; and Elvis R. Mendes a/k/a Ron
4 Mendes.

5 The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing
6 (“Notice of Opportunity for Hearing”) and an Application for Adjudicative Hearing (“Application for Hearing”) were
7 served on Respondent Joseph Finateri on January 15, 2016 via Federal Express. The Notice of Opportunity for
8 Hearing advised Respondent Joseph Finateri that a written application for an administrative hearing on the Statement
9 of Charges must be received within twenty days from the date of receipt of the notice. Respondent Joseph Finateri
10 failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of
11 Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

12 The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of
13 Law as set forth in the Statement of Charges and enter a Final Order against Respondent Joseph Finateri to cease and
14 desist from violations of the Securities Act, to impose a fine, and to charge costs.

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

16 **FINDINGS OF FACT**

17 Respondents

18 1. Stephen M. Thompson (Thompson) is the president of Leland Energy, Inc.; Leland Kentucky Holdings, Inc.;
19 Leland Colorado Holdings, Inc.; and Leland Tennessee Holdings, Inc. Thompson was also the Chief Executive
20 Officer of Mongolia Holdings, Inc. f/k/a Consolidation Services, Inc.

21 2. Leland Energy, Inc. (Leland Energy) is an active Nevada corporation formed on June 7, 2001. Leland
22 Energy’s primary place of business is located at 261 S. Robertson Boulevard, Suite 200, Beverly Hills, CA 90211
23 (261 S. Robertson).

24 3. Mongolia Holdings, Inc. f/k/a Consolidation Services, Inc. (CNSV) is a publicly traded company that was
25 incorporated in Delaware on January 26, 2007. CNSV’s primary place of business is located at 2300 West Sahara
Drive Suite 800, Las Vegas, NV 89102.

1 Leland Kentucky Holdings, Inc. (Leland Kentucky) was a Kentucky corporation formed on August 2, 2007.
2 Leland Kentucky’s primary place of business was located at 207 Shirley Street, Edmonton, KY 42129. Leland
3 Kentucky was administratively dissolved on September 30, 2014. Leland Kentucky is a wholly owned subsidiary of
4 Leland Energy. Thompson was the president, secretary, and treasurer of Leland Kentucky.

1 5. Leland Colorado Holdings, Inc. (Leland Colorado) is a Colorado corporation formed on May 21, 2010.
2 Leland Colorado's principal office mailing address is 261 S. Robertson. Leland Colorado is a wholly owned
3 subsidiary of Leland Energy.

4 6. Samson Investment Group, LLC (Samson Group) is a Delaware corporation formed on January 15, 2010.
5 Samson Group's primary place of business is located at Broadway Plaza, 520 Broadway, Suite 350, Santa Monica,
6 CA 90401 (Broadway Plaza).

7 7. Samson Energy Group, LLC (Samson Energy) is a Delaware corporation formed on November 29, 2011.
8 Samson Energy's primary place of business is located at Broadway Plaza. Samson Energy is a wholly owned
9 subsidiary of Samson Group.

10 8. Leland Tennessee Holdings, Inc. (Leland Tennessee) was a Nevada corporation formed on December 12,
11 2011. Leland Tennessee's registered address is 2360 Corporate Circle, Suite 400, Henderson, NV 89074 (Corporate
12 Circle). Leland Tennessee was a wholly owned subsidiary of Leland Energy. Thompson was the president, secretary,
13 treasurer, and director of Leland Tennessee.

14 9. Jerel Richardson is believed to reside in Los Angeles, CA. Jerel Richardson facilitated securities transactions
15 for Leland Fund II to at least one Washington State resident.

16 10. Joseph Finateri is believed to reside in Las Vegas, NV. Joseph Finateri facilitated securities transactions for
17 Samson Fund to at least one Washington State resident.

18 11. Kirtan Khalsa is believed to reside in Los Angeles, CA. Kirtan Khalsa facilitated securities transactions for
19 Leland Fund, Wattenberg Fund II, Weld County Fund, and Asset Fund to at least one Washington State resident.

20 12. Clifford V. Aaron is believed to reside in Reseda, CA. Clifford V. Aaron facilitated securities transactions for
21 Production Fund to at least one Washington State resident.

22 13. Ronelle Vallejo a/k/a Ron Vale is believed to reside in Newhall, CA. Ronelle Vallejo facilitated securities
23 transactions for Rodgers Fund to at least one Washington State resident.

24 14. Rudolpho Gomez a/k/a Rudy Gomez is believed to reside in Gardena, CA. Rudolpho Gomez a/k/a Rudy
25 Gomez facilitated securities transactions for Energy Fund to at least one Washington State resident.

15. Michael Forman is believed to reside in Miami Beach, FL. Michael Forman facilitated securities transactions
for Energy Fund to at least one Washington State resident.

16. William Marlin is believed to reside in Taft, CA. William Marlin facilitated securities transactions for Asset
Fund to at least one Washington State resident.

17. Elvis R. Mendes a/k/a Ron Mendes is believed to reside in Los Angeles, CA. Elvis R. Mendes a/k/a Ron
Mendes facilitated securities transactions for Leland Fund to at least one Washington State resident.

Leland Partnerships

1 18. The Appalachian Drilling Fund II, LLP (Appalachian Fund) was a Colorado limited liability partnership
2 formed on September 21, 2005 and withdrawn on July 30, 2010. Appalachian Fund was located at 213 S. Robertson
3 Boulevard, Beverly Hills, CA 90211 (213 S. Robertson).

4 19. The Knox Drilling Fund, LLP (Knox Fund) was a Colorado limited liability partnership formed on March 20,
5 2006 and withdrawn on July 30, 2010. Knox Fund was located at 213 S. Robertson.

6 20. The Knox Drilling Fund II, LLP (Knox Fund II) was a Colorado limited liability partnership formed on
7 March 20, 2006 and withdrawn on July 30, 2010. Knox Fund was located at 261 S. Robertson.

8 21. Green County Energy Fund, LLP (Green Fund) was a Colorado limited liability partnership formed on March
9 20, 2006 and withdrawn on July 30, 2010. Green Fund was located at 261 S. Robertson.

10 22. Block City Drilling Fund, LLP (Block Fund) was a Nevada limited liability partnership formed on February
11 1, 2008 and withdrawn on March 18, 2011. Block Fund was located at 261 S. Robertson.

12 23. Production Revenue Drilling Fund, LLP (Production Fund) was a Nevada limited liability partnership formed
13 on January 14, 2009 and withdrawn on March 18, 2011. Production Fund was located at 261 S. Robertson.

14 24. Asset Management Drilling Fund, LLP (Asset Fund) was a Nevada limited liability partnership formed on
15 June 4, 2009 and withdrawn on January 5, 2015. Asset Fund's registered address was located at Corporate Circle.

Leland Note Partnerships

16 25. Rodgers Production Revenue Fund, LLP (Rodgers Fund) was a Nevada limited liability partnership formed
17 on October 29, 2007 and withdrawn on March 18, 2011. Rodgers Fund was located at 261 S. Robertson.

18 26. Energy Production Revenue Fund, LLP (Energy Fund) was a Nevada limited liability partnership formed on
19 April 12, 2007 and withdrawn on March 18, 2011. Energy Fund was located at 261 S. Robertson.

Post-Merger Leland Partnerships

20 27. Weld County Drilling Fund, LLP (Weld Fund) was a Nevada limited liability partnership formed on May 28,
21 2010. Weld Fund's registered address was located at Corporate Circle.

22 28. Wattenberg Drilling Fund, LLP (Wattenberg Fund) was a Nevada limited liability partnership formed on
23 December 8, 2010. Wattenberg Fund's registered address was located at Corporate Circle.

24 29. Wattenberg Drilling Fund II, LLP (Wattenberg Fund II) was a Nevada limited liability partnership formed on
25 March 18, 2011. Wattenberg Fund's registered address was located at Corporate Circle.

30. Greeley Wattenberg Drilling Fund, LLP (Greeley Fund) was a Nevada limited liability partnership formed on
August 17, 2011 and withdrawn on August 8, 2013. Greeley Fund's registered address was located at Corporate
Circle.

31. The Presidents Fund, LLP (Presidents Fund) was a Nevada limited liability partnership formed on December
12, 2011. Presidents Fund's registered address was located at Corporate Circle.

1 32. The Leland Energy Fund, LLP (Leland Fund) was a Nevada limited liability partnership formed on June 19, 2012 and withdrawn on January 5, 2015. Leland Fund's registered address was located at Corporate Circle.

2 33. The Leland Energy Fund II, LLP (Leland Fund II) is an active Nevada limited liability partnership formed on
3 July 27, 2012 and withdrawn on January 5, 2015. Leland Fund II's registered address was located at Corporate Circle.

4 *Samson Group Partnership*

5 34. Samson Wattenberg Drilling Fund, LLP (Samson Fund) was a Nevada limited liability partnership formed on
6 December 21, 2011 and withdrawn on March 6, 2013. Samson Fund's registered address was located at Corporate
7 Circle.

8 Summary

9 35. Between 2005 and 2012, Leland Energy and Thompson raised at least \$1.2 million by selling oil and gas
10 securities in the form of limited liability partnership membership units to at least twenty-four Washington State
11 investors. In order to sell these securities, Leland Energy and Thompson employed sales representatives to cold-call
12 potential investors. Leland Energy and Thompson enticed potential investors with annual rates of return as high as
13 159%. Leland Energy and Thompson marketed the oil and gas securities as low risk and safe investments.

14 36. By the end of 2009, Leland Energy and Thompson had sold membership units in nine different limited
15 liability partnerships to Washington State investors. By early 2010, each of these limited liability partnerships was
16 performing well below projections. Despite the poor performance of these limited liability partnerships, Leland
17 Energy and Thompson assured investors that their investment was not a failure. Leland Energy and Thompson told
18 investors that each limited liability partnership owned assets that could be sold to a third-party. In March 2010, Leland
19 Energy and Thompson sent ballots to investors in eight of these limited liability partnerships to request their approval
20 to merge with a corporation called CNSV. The merger consisted of an exchange of each partnership's assets for
21 restricted CNSV stock. In the ballot proposals, Leland Energy and Thompson told investors that each share of CNSV
22 restricted stock would be acquired at a price of \$.67 per share. In April 2010, the limited liability partnerships voted to
23 approve the ballot proposals. As a result, investors were issued CNSV restricted stock that could be resold after a six
24 month holding period and the limited liability partnerships were dissolved. From the time investors were eligible to
25 sell their CNSV restricted stock to the present day, after taking into account a reverse stock split in 2012, the average
trading price for CNSV stock has been approximately \$.10. As a result of this merger, Leland Energy was relieved of
approximately \$3.6 million dollars of debt owed to two of the eight limited liability partnerships. Also in conjunction
with this merger, Thompson became the Chief Executive Officer of CNSV.

37. In or around September 2010, after the CNSV mergers, Leland Energy and Thompson began selling
membership units in newly formed limited liability partnerships. Leland Energy and Thompson sold these limited
liability partnership membership units in substantially the same manner as the previous nine limited liability
partnerships and continued to project large annual returns. From 2010 to 2012, Leland Energy and Thompson sold

1 membership units in eight different limited liability partnerships. At no time in selling the membership units in these
2 eight new limited liability partnerships did Leland Energy, Thompson, or any sales staff disclose the fact that the
3 previous nine limited liability partnerships had performed well below projections and that at least eight of these prior
4 limited liability partnerships were no longer in operation. Washington State investors reported to the Securities
5 Division that they have not received a profit or even a return of principal from Leland Energy.

6 Limited Liability Partnership Membership Units: Pre-Merger

7 *Nature of Offerings: Generally*

8 38. Between 2005 and 2009, Leland Energy and Thompson contacted at least fourteen Washington State residents
9 and offered and sold securities in the form of limited liability partnership membership units in nine different limited
10 liability partnerships. Seven of these limited liability partnerships were designed to earn revenue through the
11 production of oil and gas (Leland Partnerships). The other two limited liability partnerships were formed to fund a
12 promissory note issued by Leland Energy (Leland Note Partnerships). Leland Energy and Thompson raised at least
13 \$392,500 from Washington State residents in these nine separate offerings.

14 39. Leland Energy contacted at least six Washington State investors for an investment in the membership units
15 for Leland Partnerships or Leland Note Partnerships (hereinafter, Leland membership units) via an unsolicited
16 telephone call. As initial managing partner, Leland Energy and Thompson hired salespeople to cold-call potential
17 investors and sell Leland membership units. Leland Energy and Thompson paid these salespeople commissions from
18 the offering proceeds at a rate of 10-20% of the investment sale amount. Leland Energy, Thompson, and the
19 salespeople failed to disclose to investors both the commission rate and that this commission was to be paid out of the
20 offering proceeds. Leland Energy and Thompson paid commissions to the following salespeople: Elvis Mendes a/k/a
21 Ron Mendes (Mendes), Kirtan Khalsa (Khalsa), Clifford V. Aaron (Aaron), William Marlin (Marlin), Ronelle Vallejo
22 a/k/a Ron Vale (Vale), Michael Forman (Forman), and Rudy Gomez a/k/a Rudolpho Gomez (Gomez).

23 *Nature of Offerings: Leland Partnership Membership Units*

24 40. The general purpose of the Leland Partnerships was to develop oil and gas properties and to earn revenue
25 through the sale of oil and gas. The seven Leland Partnerships include the following: Appalachian Fund, Knox Fund,
26 Knox Fund II, Green Fund, Block Fund, Production Fund, and Asset Fund. Leland Energy and Thompson used the
27 Leland Partnerships' investor funds to purchase oil well rights, recoverable reserves, equipment, and property. Leland
28 Energy and Thompson told investors that the Leland Partnerships would earn revenue by drilling and selling oil and
29 natural gas in the private market. As initial managing member of each Leland Partnership, Leland Energy, or one of
30 its subsidiaries, promised to pay investors their pro rata share of the profits, after expenses, on a monthly basis.

31 41. In selling Leland membership units, Leland Energy, Thompson, and their salespeople provided Leland
32 Partnership investors with profit projections for annual rates of return which ranged from a low of 20% to a high of
33 70%. Leland Energy, Thompson, and their salespeople failed to provide a reasonable basis for these projections.

1 42. Leland Energy, Thompson, Khalsa, Aaron, and Marlin made projections regarding the productivity of limited
2 liability partnership oil and gas wells to Washington State investors. Leland Energy and Thompson told investors that
3 the Leland Partnerships would drill “developmental wells” which ensured a high probability of success and greatly
4 limited the speculative nature inherent in oil and gas drilling. Marlin told at least one Washington State investor that
5 Leland Energy’s success rate for drilled wells was over seventy-five percent. Khalsa and Aaron, made projections to
6 at least one Washington State investor that Leland Partnership wells would produce five to ten barrels per day. Leland
7 Energy, Thompson, Khalsa, Aaron, and Marlin failed to disclose to investors a reasonable basis for their statements
8 about probability of success of oil and gas production or their projections of production.

9 *Nature of Offerings: Leland Note Partnership Membership Units*

10 43. The general purpose of the Leland Note Partnerships was to lend money to Leland Energy for the purpose of
11 developing oil and gas properties so that Leland Energy could earn revenue through the sale of oil and gas. The two
12 Leland Note Partnerships include the following: Rodgers Fund and Energy Fund. Unlike the Leland Partnerships
13 described above, the Leland Note Partnerships’ sole asset was a promissory note issued by Leland Energy that
14 promised to pay an annual interest rate of 15% in monthly payments to the Leland Note Partnerships. These
15 promissory notes were purportedly secured by oil and gas leases, equipment, and production revenue.

16 44. Leland Energy, Thompson, and the following salespeople: Vale, Forman, and Gomez (collectively Leland
17 Note Salespeople) told investors that the Leland Note Partnerships would pay investors their pro rata share of Leland
18 Energy’s monthly payments to the Leland Note Partnerships. Leland Energy, Thompson, and the Leland Note
19 Salespeople told investors that their investments would be secured by Leland Energy’s collateral to the Leland Note
20 Partnerships. Leland Energy, Thompson, and the Leland Note Salespeople told investors that the Leland Note
21 Partnerships would pay back the investors’ principal investment back in a balloon payment at the end of their 9-12
22 month term. Ultimately, Leland Note Partnership investors did not receive consistent monthly interest payments or a
23 return of their principal.

24 45. Leland Energy, Thompson and the Leland Note Salespeople failed to disclose any risks regarding an
25 investment in the Leland Note Partnerships including, but not limited to, the risk that Leland Energy could default on
its promissory note to the Leland Note Partnerships and that the collateral may not cover investors’ principal. Leland
Energy, Thompson, and Leland Note Salespeople failed to provide any documents to investors showing the financial
health of Leland Energy or its ability to pay back borrowed funds.

46. Leland Energy and Thompson told Energy Fund investors that Energy Fund would repay their principal
within nine months of their investment unless the investor chose to extend their investment by another nine months.
Leland Energy and Thompson failed to disclose to Energy Fund investors how Energy Fund would be able to ensure
payoff to its investors in full after nine months, when the promissory note between Leland Energy and the Energy
Fund was for a twenty-four month term. Furthermore, Leland Energy and Thompson told Energy Fund investors that

1 the Leland Energy Note was secured by equipment and leaseholds that had an estimated value of \$1 million and
2 recoverable oil and gas reserves that had an estimated value of \$15 million. Leland Energy and Thompson failed to
3 provide Energy Fund investors with a reasonable basis for these estimated valuations. Energy Fund did not pay its
4 investors as promised.

4 47. By the end of 2009, Leland Energy and Thompson informed investors in the Leland Partnerships and the
5 Leland Note Partnerships that each limited liability partnership had performed well below projections. Leland Energy
6 and Thompson explained to investors that, even though the limited liability partnerships were not currently producing
7 revenue, their investment was not a failure. Leland Energy and Thompson explained that each limited liability
8 partnership owned assets that could be sold to a third-party. By the end of 2009, Leland Energy began searching for a
9 publicly traded energy company that would be interested in purchasing the assets of each of these Leland Partnerships
10 and Leland Note Partnerships.

9 CNSV Stock

10 *Background*

10 48. CNSV is a publicly traded corporation that is traded on the OTCBB. CNSV was formed in 2007 for the
11 purpose of entering into the organic and natural food business. In 2008, CNSV changed its purpose to the
12 development of energy-related assets. In January 2010, CNSV's corporate strategy was to acquire income producing
13 oil and gas assets by offering CNSV common stock.

13 49. In January 2010, Leland Energy, Thompson, and CNSV began discussions for CNSV to acquire various oil
14 and gas properties and equipment from eleven different limited liability partnerships and one corporation (Leland
15 Merger Entities) managed by Leland Energy or its subsidiary, Leland Kentucky. The Leland Merger Entities
16 consisted of 657 individual limited liability partners or shareholders, at least fourteen of which resided in Washington
17 State.

17 50. By the end of February 2010, CNSV reached a tentative agreement with Leland Energy to acquire 39 oil wells
18 and 19 gas wells and the related support equipment without any liens or encumbrances in exchange for approximately
19 22 million restricted shares of CNSV restricted common stock. Concurrent with CNSV's acquisition of the Leland
20 Merger entities' assets, the pre-acquisition Board of Directors would resign from their positions and Thompson would
21 be appointed as the Chairman of the Board of Directors.

21 51. In order for CNSV and the Leland Merger Entities to merge, Leland Energy and Thompson needed to obtain
22 the approval from 51% of each of the Leland Merger Entity partners. Upon approval by the Leland Merger Entity
23 investors, each individual Leland Merger Entity investor, in exchange for his/her share of partnership assets, would
24 receive newly issued CNSV restricted stock at a price of \$.67 per share.

Nature of Offering: Generally

1 52. Between March 2010 and July 2010, Leland Energy and Thompson sent ballots to Leland Partnership and
2 Leland Note Partnership investors to request their approval to exchange partnership assets for restricted stock in a
3 corporation called CNSV. Upon approval of this ballot measure, Leland Energy and Thompson would distribute the
4 restricted CNSV stock to investors and then dissolve the partnerships.

Nature of Offering: Leland Partnerships' Assets for CNSV Stock

5 53. Beginning in March 2010, Leland Energy and Thompson began mailing ballots to partners in six of the seven
6 Leland Partnerships asking for approval to exchange partnership assets for CNSV stock. The ballots for these Leland
7 Partnerships were substantially the same, except for the valuation of each partnership's assets.

8 54. Leland Energy and Thompson provided investors with a valuation of the assets held in their particular
9 partnership. The purported assets being valued included well rights, recoverable reserves, equipment, and properties.
10 Leland Energy and Thompson failed to disclose to investors how Leland Energy and Thompson valued the assets.
11 Unbeknownst to investors, Leland Energy and Thompson valued each partnership's assets at the exact same amount
12 originally raised from each partnership offering. For example, Leland Energy and Thompson valued Green Fund's
13 assets at \$1,315,500 which was the exact same amount of money raised from investors in the Green Fund offering.
14 Leland Energy and Thompson failed to provide a reasonable basis for their valuations of these Leland Partnership
15 assets to investors. Leland Energy and Thompson failed to disclose to investors that an incorrect valuation of these
16 Leland Partnership assets in this merger could adversely affect the value of CNSV stock. Approximately two years
17 after this merger, an independent audit of the Leland Merger Entities assets valued the assets far below the value that
18 had been reported to investors in the ballot proposals. At the time of the ballot proposals, Leland Energy, Thompson,
19 and CNSV valued the combined assets of the Leland Merger Entities at over \$15 million. On February 29, 2012, an
20 audit of the Leland Merger Entities revealed that, at the time of the ballot proposals, the valuation of the combined
21 assets of Leland Merger Entities was actually \$4.3 million.

22 55. At the time of the ballot proposal, Leland Energy and Thompson told investors that over the previous year,
23 CNSV stock had been trading between \$.61 and \$1.05. Leland Energy and Thompson failed to disclose to investors
24 that the quoted market value of the CNSV stock was based on sporadically traded stock with little or no volume which
25 could reflect an artificially inflated stock price.

56. Leland Energy and Thompson also told investors that the limited liability partnerships would acquire CNSV
restricted stock at a price of \$.67 per share. Despite the \$.67 CNSV stock valuation Leland Energy and Thompson told
investors at the time of the ballot proposals, from October 2010 to March 2015, after taking into account a reverse
stock split, the average trading price for CNSV stock was approximately \$.10 per share and always with a low trading
volume.

1 57. Leland Energy and Thompson told at least one Washington investor that a “yes” vote on the CNSV merger
2 would result in an increase of over 50% in net value to the investor. Leland Energy and Thompson failed to provide a
3 reasonable basis for this projection.

4 58. Leland Energy and Thompson told investors that CNSV was formed in 2007, that CNSV had acquired eleven
5 thousand acres of oil and gas rights in eastern Kentucky, and that it had excellent management in place. Leland
6 Energy and Thompson failed to disclose to investors that CNSV was a new entrant into the oil and gas industry
7 without an operating history and that the CNSV management had no experience in the energy industries. Leland
8 Energy and Thompson failed to disclose that up until January 1, 2010, CNSV’s sole sources of revenues were from
9 coal mining and timber harvesting operations. As of January 31, 2010, CNSV had divested its coal and timber assets
10 in a spinoff transaction.

11 59. Leland Energy and Thompson attached a copy of CNSV’s Executive Summary to each ballot. In the
12 Executive Summary, Leland Energy and Thompson provided information regarding CNSV including CNSV’s
13 corporate background, the oil and gas mineral rights owned by CNSV, and information about the current management
14 of CNSV. Leland Energy and Thompson touted the proven management of CNSV stating that the CNSV management
15 had grown revenues in one publicly traded company from \$29,000 to over \$350 million in approximately four years.
16 Leland Energy and Thompson failed to disclose to investors that concurrent to these mergers, CNSV would replace its
17 then current Board of Directors and Chief Executive Officer with Thompson. Leland Energy and Thompson misled at
18 least one Washington investor to believe that the current CNSV management would remain in control of CNSV after
19 the acquisition was complete.

20 60. Further, Leland Energy and Thompson failed to disclose to investors that simultaneous to their partnership’s
21 merger, CNSV was entering into merger agreements with ten other limited liability partnerships and one corporation.
22 Leland Energy and Thompson failed to disclose how these eleven other mergers could dilute their CNSV stock and
23 lower the stock’s value. Leland Energy and Thompson failed to disclose to investors that including their own merger,
24 CNSV was issuing over 22 million new shares of stock in exchange for assets that Leland Energy knew included
25 poorly performing oil and gas wells.

61. CNSV knew or should have known what disclosures Leland Energy and Thompson were providing to Leland
Partnership investors when the investors were solicited to exchange partnership assets for CNSV restricted stock.

62. Through the largely self-directed proxy vote, effective April 1, 2010, Leland Energy and Thompson approved
the following ballot measures for eight of the Leland Partnerships: (1) the Leland Partnerships would exchange all
their assets for shares of CNSV stock (2) Leland Energy and Thompson would distribute CNSV stock to each limited
liability partner individually and on a proportional basis; and (3) Leland Energy and Thompson would dissolve each
of the Leland Partnerships.

1 63. On April 15, 2010, after Thompson had been appointed to the CNSV Board of Directors and CNSV Chief
2 Executive Officer, Leland Energy, CNSV, and Thompson sent ballots to at least three Washington State Asset Fund
3 investors to request their approval to exchange a portion of their partnership assets for restricted stock in a corporation
4 called CNSV. Upon approval of this ballot measure, Leland Energy and Thompson would distribute each investors
5 pro rata share of the restricted CNSV stock.

6 64. At the time of the ballot proposal, Leland Energy, CNSV, and Thompson told investors that the CNSV stock
7 was currently trading at in the \$1.03 to \$1.05 range. Leland Energy, CNSV, and Thompson failed to disclose to
8 investors that the quoted market value of the CNSV stock was based on sporadically traded stock with little or no
9 volume which could reflect an artificially inflated stock price.

10 65. Leland Energy, CNSV, and Thompson told investors that this proposal would result in each Asset Fund
11 investor receiving an equity increase of over 36%. Leland Energy, CNSV, and Thompson failed to disclose a
12 reasonable basis for the projection that each investor would receive an equity increase of over 36%.

13 66. No later than July 16, 2010, CNSV entered into an agreement with Asset Fund. This agreement was
14 substantially similar to the one CNSV entered into with the other Leland Partnerships, except that Asset Fund only
15 sold a portion of its total assets to CNSV.

16 67. At least one Washington investor tried unsuccessfully to contact Leland Energy to ask questions about the
17 ballot. Leland Energy never explained any details regarding the ballot proposal to this Washington investor. Later, a
18 representative from Leland Energy contacted the Washington investor and informed him that the vote was approved
19 and that the Washington investor was now the holder of CNSV restricted stock.

20 68. With Thompson now acting as its Chief Executive Officer, CNSV knew what disclosures Leland Energy and
21 Thompson were providing to Asset Fund investors when the investors were solicited to exchange partnership assets
22 for CNSV restricted stock.

23 *Nature of Offerings: Leland Note Partnerships' Assets for CNSV Stock*

24 69. Beginning in March 2010, Leland Energy and Thompson began mailing ballots to partners in both Leland
25 Note Partnerships asking for their approval to exchange Leland Note Partnership assets for CNSV stock. The Leland
Note Partnerships' only asset was a secured promissory note issued by Leland Energy. The promissory note for both
of the Leland Note Partnerships was secured by oil and gas leases, drilling equipment, and oil and gas production
revenue. Both of the Leland Note Partnership ballots were substantially the same, except for the value of the
promissory notes and the value of the underlying collateral. The merger ballots for the Leland Note Partnerships
included a provision whereby the Leland Note Partnerships would exchange their Leland Energy collateralized
promissory note and \$1, for ownership of the collateral securing the Leland Energy promissory note.

70. Leland Energy and Thompson failed to disclose that they had a conflict of interest when they recommended a
"yes" vote to this ballot proposal. Leland Energy and Thompson failed to disclose to Leland Note Partnership

1 investors that a vote to exchange the Leland promissory note for CNSV stock would effectively relieve Leland Energy
2 of debts totaling approximately \$3.6 million owed to the Leland Note Partnerships investors. Leland Energy and
3 Thompson failed to disclose that the Leland Note Partnerships already had enforceable rights to the underlying
collateral because Leland Energy had stopped making payments to the Leland Note Partnerships.

4 71. Leland Energy and Thompson told investors in Rodgers Fund that a vote to exchange the Leland Energy
5 promissory note for CNSV stock would increase the value of their investment by approximately 35%. Leland Energy
6 and Thompson failed to provide a reasonable basis for this projection.

7 72. Leland Energy and Thompson failed to disclose to Energy Fund investors the value of the underlying
8 collateral it was exchanging for the Leland Energy promissory note.

9 73. CNSV knew or should have known what disclosures Leland Energy and Thompson were providing to Leland
10 Note Partnership investors when the investors were solicited to exchange partnership assets for CNSV restricted
11 stock.

12 74. Through the largely self-directed proxy vote, effective April 1, 2010, Leland Energy and Thompson approved
13 the following ballot measures for both of the Leland Note Partnerships: (1) the Leland Note Partnerships would
14 exchange its only asset, the Leland Energy promissory note, and \$1 for title in the promissory note's underlying
15 collateral (2) the Leland Note Partnerships would then exchange this new ownership in the underlying collateral for
16 shares of CNSV stock (3) Leland Energy and Thompson would distribute CNSV stock to each limited liability partner
17 individually and on a proportional basis; and (4) Leland Energy and Thompson would dissolve each of the Leland
18 Note Partnerships.

19 Limited Liability Partnership Membership Units: Post-Merger

20 *Nature of Offerings*

21 75. Between 2010 and 2012, after the CNSV mergers, Leland Energy and Thompson contacted at least nine
22 Washington State residents and offered and sold securities in the form of limited liability partnership membership
23 units in seven different newly formed limited liability partnerships. Just as before, Leland Energy and Thompson
24 enticed potential investors with projections for high rates of return. Leland Energy and Thompson raised at least
25 \$812,500 from Washington State residents in these seven separate offerings.

76. Just like the Leland Partnerships, the general purpose of these seven limited liability partnerships was to
develop oil and gas properties and to earn revenue through the sale of oil and gas. These seven limited liability
partnerships include the following: Weld Fund, Wattenberg Fund, Wattenberg Fund II, Greeley Fund, Presidents
Fund, Leland Fund, and Leland Fund II. (collectively, Post-Merger Leland Partnerships). Leland Energy and
Thompson used the Post-Merger Leland Partnerships' investor funds to purchase oil well rights, recoverable reserves,
equipment, and property. As initial managing member of each Post-Merger Leland Partnership, Leland Energy, or one
of its subsidiaries, promised to pay investors their pro rata share of the profits, after expenses, on a monthly basis.

1 77. As before, Leland Energy and Thompson hired salespeople to cold-call potential investors, including at least
2 three Washington State investors, for an investment in the Post-Merger Leland Partnerships membership units. Leland
3 Energy and Thompson paid these salespeople commissions from the offering proceeds at a rate of 10-20% of the
4 investment sale amount. Leland Energy, Thompson, and the salespeople failed to disclose to investors both the
5 commission rate and that this commission was to be paid out of the offering proceeds. The following is a list of
6 salespeople who sold Post-Merger Leland Partnerships membership units in Washington State: Jerel Richardson
7 (Richardson), Joseph Finateri (Finateri), Mendes, and Khalsa.

8 78. Similar to the Leland Partnership offerings, Leland Energy, Thompson, and their salespeople provided Post-
9 Merger Leland Partnership investors with annual rates of return which ranged from a low of 18% to a high of 159 %.
10 Leland Energy, Thompson, and their salespeople failed to provide a reasonable basis for these projections. At no time
11 in selling the membership units in these seven new limited liability partnerships did Leland Energy, Thompson, or any
12 sales staff disclose the fact that all nine of the previous limited liability partnerships sold to Washington State
13 investors had failed to meet financial projections and that at least eight of these prior limited liability partnerships
14 were no longer in operation.

15 79. Again, Leland Energy and Thompson made projections on the productivity of limited liability partnership oil
16 and gas wells to Washington State investors. Leland Energy and Thompson told investors that the Post-Merger Leland
17 Partnerships would drill “developmental wells” which ensured a high probability of success and greatly limited the
18 speculative nature inherent in oil and gas drilling. Leland Energy failed to provide a reasonable basis for why drilling
19 developmental wells provides a high probability of success.

20 80. Leland Energy and Thompson promoted to Leland Fund II investors that Leland Energy had secured a
21 “Production Deficiency Protection Plan” (PDPP) for Leland Fund II investors which would purportedly protect 100%
22 of investors’ principal against any deficiency. Leland Energy, Thompson, and Leland Energy Fund II failed to
23 disclose to investors the consideration Leland Energy paid for the PDPP. Leland Energy, Thompson, and Leland Fund
24 II told investors that if after fifteen years Leland Energy Fund II failed to pay back its investors’ principal, the PDPP
25 would make up their losses. Leland Energy, Thompson, and Leland Fund II failed to disclose to investors how the
PDPP would have sufficient funds to cover investor losses after fifteen years. Leland Energy, Thompson, and Leland
Fund II failed to disclose what would happen if Leland Fund II ceased operating prior to the fifteen years redemption
period. According to Nevada corporate records, Leland Energy Fund II terminated its limited liability partnership
registration on January 5, 2015, less than three years after its formation.

81. Similarly, Mendes told a Washington State investor that his investment in Leland Fund would be secured by
an insurance policy. Mendes told this investor that if his Leland membership unit investment failed then, after fifteen
years from the date of his investment, an insurance company would pay the investor back the deficiency between the
amount the investor invested and the amount earned. Mendes failed to disclose the source of this insurance and how

1 the limited liability partnership would pay for this insurance. According to Nevada corporate records, Leland Energy
2 Fund II terminated its limited liability partnership registration on January 5, 2015, less than three years after its
3 formation.

4 82. Leland Energy, Thompson, and their salespeople represented these limited liability partnership investments as
5 safe. Richardson told a Washington State investor that if at any time he wanted out of his investment, Leland Energy
6 would buy him out. Richardson failed to disclose the source of funds that Leland Energy would use to buyout
7 investors. When this investor contacted Richardson to tell Richardson that he wanted out of his investment,
8 Richardson told him that Leland Energy would not buy the membership unit back.

9 83. In their sales materials, Leland Energy and Thompson promoted Leland Energy's 30-35 years of experience
10 in the oil and gas industry to investors. Leland Energy and Thompson failed to disclose to investors that Leland
11 Energy's 30-35 years of experience in the energy industry did not equate to financial success for investors. For
12 example, Leland Energy and Thompson failed to disclose to Weld Fund investors that the prior eight Leland
13 Partnerships had all failed to meet the financial and oil production projections that Leland Energy and Thompson had
14 promoted to investors. Leland Energy failed to disclose financial statements for itself or any of the entities it managed
15 to investors.

16 *Management and Control*

17 84. The Leland Partnerships, Leland Note Partnerships, and the Post-Merger Leland Partnerships were managed
18 by Leland Energy, or one of its subsidiaries, and Thompson. These subsidiaries include the following: Leland
19 Kentucky, Leland Colorado, and Leland Tennessee. As the initial managing partner, Leland Energy, or one of its
20 subsidiaries, and Thompson formed the Leland Partnerships, Leland Note Partnerships, and Post-Merger Leland
21 Partnerships and oversaw the offer and sale of the limited liability partnership membership units to Washington State
22 investors. As such, Leland Energy, Thompson, Leland Kentucky, Leland Colorado, and Leland Tennessee are
23 responsible for representations made to Washington purchasers.

24 85. Each Leland Partnership, Leland Note Partnership, and Post-Merger Leland Partnership operating agreement
25 contained a provision stating that the partnership is not a "passive involvement" and is managed by the "Partners
themselves." Despite this provision, in reality, none of the Leland Partnership, Leland Note Partnership, or Post-
Merger Leland Note Partnership members had any say in the day-to-day management of any of the partnerships. Most
investors had little to no experience with oil and gas ventures and relied exclusively on Leland Energy and Thompson
to manage the partnerships. At least ten of the twenty-four Washington State investors were over the age of sixty-five
at the time of their investment. At least three of the investors were unaccredited.

Samson Fund

Nature of Offering

1
2 86. In 2012, in addition to the Leland Partnerships, the Leland Note Partnerships, and the Post-Merger Leland
3 Partnerships, Leland Energy and Thompson sold limited liability partnership units in Samson Fund to at least two
4 Washington State residents on behalf of Samson Energy. Samson Energy, a wholly owned subsidiary of Samson
5 Group (collectively Samson Energy) was the initial managing partner for Samson Fund. As initial managing partner,
6 Samson Energy entered into an agreement with Leland Energy whereby Leland Energy would act as the operations
7 manager. As before, Leland Energy and Thompson, enticed potential investors with projections for high rates of
8 return. Samson Energy, through its operation managers Leland Energy and Thompson, raised at least \$110,000 from
9 Washington State residents in the Samson Fund offering.

10 87. The general purpose of Samson Fund was to develop oil and gas properties and to earn revenue through the
11 sale of oil and gas. Samson Energy, Leland Energy, and Thompson used the investor funds to purchase oil well rights,
12 recoverable reserves, equipment, and property.

13 88. As the operations manager for Samson Energy, Leland Energy and Thompson contacted two Washington
14 State investors for an investment in Samson Fund membership units via an unsolicited telephone call. Leland Energy
15 and Thompson hired salespeople to cold-call potential investors and sell Samson Fund membership units. Leland
16 Energy and Thompson paid these salespeople commissions from the offering proceeds at a rate of 15-17% of the
17 investment sale amount. Samson Energy, Leland Energy, Thompson and the salespeople failed to disclose to investors
18 both the commission rate and that this commission was to be paid out of the offering proceeds. Finateri sold Samson
19 Fund membership units in Washington State.

20 89. Samson Energy, Leland Energy, Thompson, and their salespeople provided Samson Fund investors with
21 profit projections for annual rates of return which ranged from 37-197%. Samson Energy, Leland Energy, Thompson,
22 and their salespeople failed to provide a reasonable basis for these projections.

23 90. Samson Energy, Leland Energy, Thompson, and Finateri made projections on the productivity of limited
24 liability partnership oil and gas wells to Washington State investors. Samson Energy, Leland Energy, and Thompson
25 told investors that the Samson Fund would drill “developmental wells” which ensured a high probability of success
and greatly limited the speculative nature inherent in oil and gas drilling. Samson Energy, Leland Energy, and
Thompson failed to provide a reasonable basis for why drilling developmental wells provides a high probability of
success. Finateri made projections to at least one Washington State investor of oil and gas wells producing ten barrels
per day. Finateri failed to disclose to investors a reasonable basis for this oil and gas production projection.

Failure to Disclose Prior Fraud and Prior State Actions

91. On February 3, 1989, a Federal Bankruptcy Court concluded in a Chapter 7 bankruptcy matter that Thompson
could not discharge a debt owed to the Federal Trade Commission because Thompson accrued the debt as a result of

1 committing false pretenses, false representation, or actual fraud in connection with the marketing of an oil drilling
2 lease filing service. Leland Energy, Leland Subsidiaries, CNSV, Samson Group, Samson Energy, Leland
3 Partnerships, Leland Note Partnerships, Post-Merger Leland Partnerships, Samson Fund, Finateri, Richardson, Vale,
4 Khalsa, Aaron, Gomez, Forman, Marlin, Mendes, and Thompson failed to disclose this prior fraud to investors.

5 92. On August 11, 1981, the Wisconsin Division of Securities (f/k/a Wisconsin Commissioner of Securities),
6 issued an Order of Prohibition against Thompson for securities law violations including the offer and sale of
7 unregistered, non-exempt securities in the form of partnership interests in six different limited partnerships to
8 Wisconsin residents. Leland Energy, Leland Kentucky, Leland Colorado, CNSV, Samson Group, Samson Energy,
9 Thompson, Khalsa, Aaron, Marlin, Vale, Forman, Gomez, Appalachian Fund, Knox Fund, Knox Fund II, Green
10 Fund, Rodgers Fund, Block Fund, Energy Fund, Production Fund, Asset Fund, Weld Fund, Wattenberg Fund, and
11 Samson Fund failed to disclose this prior state action to Washington State investors.

12 93. On or about September 5, 2002, the Wisconsin Commissioner of Securities issued a second order prohibiting
13 Leland Energy and Thompson, as President of Leland Energy, from offering and selling unregistered, non-exempt
14 securities, including limited liability partnership interests to Wisconsin residents. Leland Energy, Leland Kentucky,
15 Leland Colorado, CNSV, Samson Group, Samson Energy, Thompson, Khalsa, Aaron, Marlin, Vale, Forman, Gomez,
16 Appalachian Fund, Knox Fund, Knox Fund II, Green Fund, Rodgers Fund, Block Fund, Energy Fund, Production
17 Fund, Asset Fund, Weld Fund, Wattenberg Fund, and Samson Fund failed to disclose this prior state action to
18 Washington State investors.

19 94. On May 13, 2003 the Pennsylvania Securities Commission issued a cease and desist order against Leland
20 Energy barring it from offering and selling limited partnership interests to Pennsylvania residents in violation of the
21 Pennsylvania Securities Act of 1972. Leland Energy, Leland Kentucky, Leland Colorado, CNSV, Samson Group,
22 Samson Energy, Thompson, Khalsa, Aaron, Marlin, Vale, Forman, Gomez, Appalachian Fund, Knox Fund, Knox
23 Fund II, Green Fund, Rodgers Fund, Block Fund, Energy Fund, Production Fund, Asset Fund, Weld Fund,
24 Wattenberg Fund, Samson Fund failed to disclose this prior state action to Washington State investors.

25 95. In 2004, Finateri was convicted of Conspiracy to Defraud the United States. Leland Energy, Samson Group,
26 Samson Energy, Thompson, and Finateri failed to disclose to at least one Washington State investor of Finateri's
27 conviction.

Registration Status

28 96. The Appalachian Drilling Fund II, LLP; The Knox Drilling Fund, LLP; The Knox Drilling Fund II, LLP;
29 Green County Energy Fund, LLP; Rodgers Production Revenue Fund, LLP; Block City Drilling Fund, LLP; Energy
30 Production Revenue Fund, LLP; Production Revenue Drilling Fund, LLP; Asset Management Drilling Fund, LLP;
31 Weld County Drilling Fund, LLP; Wattenberg Drilling Fund, LLP; Wattenberg Drilling Fund II, LLP; Greeley
32 Wattenberg Drilling Fund, LLP; Samson Wattenberg Drilling Fund, LLP; The Presidents Fund, LLP; The Leland

1 Energy Fund, LLP; The Leland Energy Fund II, LLP are not currently registered to sell its securities in the state of
2 Washington and has not previously been so registered.

3 97. Leland Energy, Inc. is not currently registered as a securities broker-dealer in the state of Washington and has
4 not previously been so registered.

5 98. Stephen Thompson, Joseph Finateri, Kirtan Khalsa, Elvis R. Mendes, Clifford V. Aaron, Ronelle Vallejo
6 a/k/a Ron Vale, Rudolpho Gomez a/k/a Rudy Gomez, Michael Forman, William Marlin, and Jerel Richardson are not
7 currently registered as a securities salesperson or broker-dealer in the state of Washington and have not previously
8 been so registered.

9 99. On April 8, 2010, Thompson, on behalf of CNSV, filed a Form D Notice of Exempt Offering of Securities
10 with the Securities and Exchange Commission. CNSV relied on Federal Rule 506 to exempt from registration the
11 exchange of Leland Merger Entity assets for CNSV restricted stock.

12 100. CNSV and Thompson did not register or claim an exemption from registration for the exchange of CNSV
13 restricted stock for Asset Fund's first oil well. Furthermore, CNSV has never reported this transaction with Asset
14 Fund in any of its public filings with the Securities and Exchange Commission.

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

16 CONCLUSIONS OF LAW

17 1. The offer and/or sale of limited liability interests and/or restricted stock as described above constitute the
18 offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

19 2. Respondent Joseph Finateri violated RCW 21.20.140 because, as set forth in the Findings of Fact, Joseph
20 Finateri offered and sold securities for which no registration is on file with the Securities Administrator.

21 3. Respondent Joseph Finateri violated RCW 21.20.010 because, as set forth in the Findings of Fact, in
22 connection with the offer, sale or purchase of any security Joseph Finateri, directly or indirectly, made misstatements
23 of material facts or omitted to state material facts necessary in order to make the statements made, in light of
24 circumstances under which they were made, not misleading.

25 4. Respondent Joseph Finateri violated RCW 21.20.040 by offering or selling said securities while not registered
as a securities salesperson or broker-dealer in the state of Washington.

FINAL ORDER

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

IT IS HEREBY ORDERED that Respondent Joseph Finateri shall cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

IT IS FURTHER ORDERED that Respondent Joseph Finateri shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS FURTHER ORDERED that Respondent Joseph Finateri shall cease and desist from violating RCW 21.20.040, the broker-dealer and securities salesperson registration section of the Securities Act of Washington.

IT IS FURTHER ORDERED that Respondent Joseph Finateri shall be liable for and pay a fine in the amount of \$10,000.

IT IS FURTHER ORDERED that Respondent Joseph Finateri shall be liable for and pay costs in the amount of \$500.

AUTHORITY AND PROCEDURE

This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.110 and 21.20.390, and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondent Joseph Finateri has the right to petition the superior court for judicial review of this agency action under the provisions of RCW 34.05. For the requirements for Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

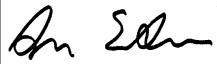
SIGNED and ENTERED this 5th day of February 2016.



William M. Beatty
Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Brian J. Guerard
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor