

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 **IN THE MATTER OF DETERMINING**
5 **Whether there has been a violation of the**
6 **Securities Act of Washington by:**

7 **Archibald Oil & Gas Operations, Inc., Brian Van**
8 **Horn, Joseph Van Horn, their employees and**
9 **agents,**

10 **Respondents.**

SDO - 90 - 00

CONSENT ORDER AND ORDER VACATING
SDO-80-00

Case No. 99-10-0318

11 **THE STATE OF WASHINGTON TO:**

12 **Archibald Oil & Gas Operations, Inc.**
13 **Brian Van Horn**
14 **Joseph Van Horn**
15 **212 South Broadway**
16 **Ada, OK 74820**

17 **INTRODUCTION**

18 **The Securities Division, Department of Financial Institutions, State of Washington and Respondents**
19 **Archibald Oil & Gas Operations, Inc., Brian Van Horn, and Joseph Van Horn (also collectively referred to as**
20 **Respondents) do hereby agree to this Consent Order and Order Vacating SDO-80-00 in settlement of the**
21 **matters alleged herein. Respondents neither admit nor deny the Tentative Findings of Fact or Conclusions of**
22 **Law as set forth below.**

23 **TENTATIVE FINDINGS OF FACT**

24 **I. RESPONDENTS**

Archibald Oil & Gas Operations, Inc. ("Archibald Oil & Gas") is a corporation that has a
principal business address of 212 South Broadway (P.O. Box 305), Ada, Oklahoma. Brian Van Horn is
the President of Archibald Oil & Gas and Joseph Van Horn is a sales representative for the corporation.

II. NATURE OF OFFERING

1 On at least August 13, 1999, representatives of Archibald Oil & Gas participated in a trade show
2 named the Third Annual Seattle Money Show ("Money Show") held in Seattle, Washington. The Money
3 Show is a commercial venture marketed to the general public through advertising placed on the Internet
4 and through area signage that provides a forum for interaction between the public and business and
5 commercial vendors. A Securities Division staff member attending the Money Show and posing as a
6 prospective Washington investor visited Archibald Oil & Gas' booth. The booth displayed generalized
7 information about Archibald Oil & Gas and its involvement in the oil and gas industry. While at the
8 booth, the staff member expressed an interest in receiving more specific information about current
9 company programs. The staff member and other Washington residents attending the Money Show were
10 invited to complete information cards, and did so, so that they could be sent additional information in the
11 future from Archibald Oil & Gas.

12 In at least August, 1999, and October, 1999, Respondents mailed or caused to be mailed to at least
13 one prospective Washington investor letters and other materials relating to the progress of existing
14 Archibald Oil & Gas programs. Most recently, on June 19, 2000, Respondents mailed or caused to be
15 mailed to at least one prospective Washington investor an undated "Confidential Private Placement
16 Memorandum" (the "Memorandum") for "Archibald Oil & Gas Operations, Inc. Drilling Project 2000."
17 The Memorandum contained information about a new offering of units of fractional undivided working
18 interests in four oil and gas lease prospects located in the Coal, Okfuskee, and Pottawatomie Counties of
19 Oklahoma. A total of 100 units are being offered and involve the payment of drilling costs of \$8,900 per
20 unit and possible completion cost of \$4,320 per unit. Although at least the one prospective Washington
21 investor received a subscription agreement form contained in the Memorandum for the offering, the
22 Respondents failed to provide in the Memorandum complete material information regarding the offering,
23 including but not limited to information about the management of Archibald Oil & Gas or financial
24 statements for the company.

III. REGISTRATION STATUS

1 Archibald Oil & Gas Operations, Inc. is not currently registered to offer or sell securities in the
2 State of Washington, has not previously been so registered, and no notification filing of claim of
3 exemption for offers or sales is on file with the Administrator of Securities. Neither Archibald Oil & Gas
4 Operations, Inc., Brian Van Horn, nor Joseph Van Horn are currently registered as securities broker-
5 dealers or salespersons in the State of Washington and have not previously been so registered.

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

7 CONCLUSIONS OF LAW

8 I.

9 The offer of the undivided fractional working interests as described in Tentative Findings of Fact
10 I and II constitutes the offer and/or sale of a security as defined in RCW 21.20.005(12), a definitional
11 section of the Securities Act of Washington.

12 II.

13 The offer and/or sale of said securities as described in Tentative Findings of Fact I through III was
14 made in violation of RCW 21.20.140, the securities registration requirement provision of the Securities
15 Act of Washington, because no registration or notification of claim of exemption for such offer and/or
16 sale is on file with the Securities Division of the State of Washington and it appears that Respondent
17 Archibald Oil & Gas Operations, Inc. does not otherwise qualify for an exemption from registration.

18 III.

19 The offer and/or sale of said securities by Archibald Oil & Gas Operations, Inc., Brian Van Horn,
20 and Joseph Van Horn as described in Tentative Findings of Fact I through III was made in violation of
21 RCW 21.20.040, the broker-dealer or salesperson registration requirement provision of the Securities Act
22 of Washington.

23 IV.

24 The offer and/or sale of said securities by Archibald Oil & Gas Operations, Inc, Brian Van Horn,
and Joseph Van Horn as described in Tentative Findings of Fact I and II was made in violation of RCW

1 21.20.010, the antifraud provision of the Securities Act of Washington, because Respondents failed to
2 provide in the Confidential Private Placement Memorandum for Archibald Oil & Gas Operations, Inc.
3 Drilling Project 2000 complete material information regarding the offering, including but not limited to
4 information about the management of Archibald Oil & Gas or financial statements for the company.

5 ORDER AND CONSENT

6 Based on the premises of the foregoing:

7 IT IS HEREBY AGREED AND ORDERED that Respondents Archibald Oil & Gas Operations,
8 Inc., Brian Van Horn, and Joseph Van Horn, and their employees and agents shall each cease and desist
9 from offering and/or selling securities in any manner in violation of RCW 21.20.140, the securities
10 registration requirement provision of the Securities Act of Washington.

11 IT IS HEREBY AGREED AND ORDERED that Respondents Archibald Oil & Gas Operations,
12 Inc., Brian Van Horn, and Joseph Van Horn, and their employees and agents shall each cease and desist
13 from offering and/or selling securities in any manner in violation of RCW 21.20.040, the broker-dealer or
14 salesperson registration requirement provision of the Securities Act of Washington.

15 IT IS HEREBY AGREED AND ORDERED that Respondents Archibald Oil & Gas Operations,
16 Inc., Brian Van Horn, and Joseph Van Horn, and their employees and agents shall each cease and desist
17 from offering and/or selling securities in any manner in violation of RCW 21.20.010, the antifraud
18 provision of the Securities Act of Washington.

19 IT IS HEREBY AGREED AND ORDERED that Respondents Archibald Oil & Gas Operations,
20 Inc., Brian Van Horn, and Joseph Van Horn, and their employees and agents shall each provide thirty (30)
21 days advance notice to the Securities Division prior to offering and/or selling securities in the State of
22 Washington in reliance upon any exemption from registration available. Such notice shall include a
23 complete copy of all offering materials intended to be distributed to prospective investors in the State of
24 Washington.

1 IT IS HEREBY AGREED AND ORDERED that this Order shall remain in force and effect for a
2 period of three years from the date of entry of this Order.

3 IT IS HEREBY AGREED that Respondent Archibald Oil & Gas Operations, Inc. shall reimburse
4 the Securities Division \$300 for its costs of investigation payable prior to the Securities Division's entry
5 of this Consent Order.

6 IT IS HEREBY AGREED that Respondents signing below waive their rights to a hearing in this
7 matter.

8 IT IS HEREBY AGREED that the Securities Division has jurisdiction to enter this Consent
9 Order.

10 IT IS HEREBY ORDERED that upon entry of this Consent Order, Summary Order to Cease and
11 Desist SDO-80-00 is vacated.

12 Archibald Oil & Gas Operations, Inc., by Brian Van Horn as its President and individually:

13 _____, signed this _____ day of _____, 2000.

14 (Signature)

15 Joseph Van Horn, as a representative of Archibald Oil & Gas Operations, Inc. and individually:

16 _____, signed this _____ day of _____, 2000.

17 (Signature)

18
19 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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21 This Consent Order entered by the Securities Division 31st day of August, 2000.

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Deborah R. Bortner
Securities Administrator

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Presented by: _____ Approved by: _____

Brad Ferber Michael E. Stevenson
Securities Examiner Chief of Compliance

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CONSENT ORDER AND ORDER VACATING 7
SDO-80-00

Archibald Oil & Gas Operations, Inc.

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
(360) 902-8760

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