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**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: Hi-Tech Energy, Inc.
John Louis Wetzel
Fredrick Murphy
John Vanderfield
655 South Flower Street, Suite 305
Los Angeles, California 90017

**DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)**

The Commissioner of Business Oversight finds that:

- 1. Hi-Tech Energy, Inc. (“Hi-Tech”) was a California corporation formed on March 15, 2010 and was suspended by the California Secretary of State (“SOS”) on December 3, 2012. Hi-Tech had a registered place of business with the SOS at 655 South Flower Street, Suite 305, Los Angeles, California 90017.
- 2. At all relevant times, John Louis Wetzel (“Wetzel”) was president and a registered agent for service of process of Hi-Tech.
- 3. At all relevant times, Fredrick Murphy (“Murphy”) represented himself to investors as the owner and managing director of Hi-Tech.
- 4. At all relevant times, John Vanderfield (“Vanderfield”) represented himself to investors as the senior account executive at Hi-Tech.
- 5. Beginning in or about 2011, Vanderfield, on behalf of Hi-Tech contacted at least two Alabama residents, and mailed potential investors materials related to an oil and gas lease called “The Bluff 3D Prospect located in Shackelford County, Texas” (“Bluff 3D Prospect”). Hi-Tech’s Participation Agreement/Subscription Instructions indicated that participating investors would contribute funds towards the “Ten Well Drilling Project,” an effort to seek oil-producing wells.

1 6. Hi-Tech, Murphy, Vanderfield, and Wetzel offered and sold securities in the form of
2 certificates of interest and/or participation in an oil and gas lease and/or in payments out of
3 production out of that lease, which were described as “[u]nits of working interest” in Bluff 3D
4 Prospect in the offering material, to at least nine investors totaling more than \$56,000.

5 7. In order to raise \$1,050,000.00 for the “Ten Well Drilling Project”, Hi-Tech offered twenty-
6 one (21) units at a purchase price of \$50,000.00 per unit (4.761% working interest), \$25,000.00 per
7 half unit (2.38% working interest), and \$12,500.00 per one-fourth unit (1.19% working interest).

8 8. In connection with the offer and sale of these securities, Hi-Tech, Murphy, Vanderfield, and
9 Wetzel made material misrepresentations of facts and also omitted to state material facts necessary in
10 order to make the statements made, in the light of the circumstances under which they were made, not
11 misleading. These misrepresentations and omissions included, but are not limited to, the following:

12 a. Hi-Tech, Murphy, Vanderfield, and Wetzel failed to disclose to investors that a
13 Wisconsin Order of Prohibition and Revocation was issued on August 20, 1996 against Wetzel to
14 prohibit him from offering or selling unregistered securities in the state of Wisconsin;

15 b. Hi-Tech, Murphy, Vanderfield, and Wetzel told investors that there was a “100%
16 Unconditional Guarantee [investors] will not lose [their] Investment Capital on [their] first 10 Well
17 Drilling Project”;

18 c. Hi-Tech, Murphy, Vanderfield, and Wetzel told investors that their money would be
19 used for expenses related to Hi-Tech’s oil well drilling projects in Texas, when in actuality Wetzel
20 used investors’ money for his own personal use; and

21 d. Hi-Tech, Murphy, Vanderfield, and Wetzel told investors that they would receive
22 monthly returns each month for at least a thirty-year period, when in actuality the investors never
23 received any promised returns from Hi-Tech.

24 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
25 that the securities offered and sold Hi-Tech Energy, Inc., John Louis Wetzel, Fredrick Murphy, and
26 John Vanderfield were offered and sold in this state by means of written or oral communications that
27 included untrue statements of material fact or omitted to state material facts necessary in order to
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1 make the statements made, in the light of the circumstances under which they were made, not
2 misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

3 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Hi-Tech Energy, Inc.,
4 John Louis Wetzel, Fredrick Murphy, and John Vanderfield are hereby ordered to desist and refrain
5 from offering or selling or buying or offering to buy any security in the State of California, including,
6 but not limited to, certificates of interest and/or participation in an oil and gas lease and/or in
7 payments out of production out of that lease, which were described as “[u]nits of working interest” in
8 Bluff 3D Prospect, by means of any written or oral communication which includes an untrue
9 statement of a material fact or omits to state a material fact necessary in order to make the statements
10 made, in the light of the circumstances under which they were made, not misleading.

11 This Order is necessary, in the public interest, for the protection of investors and consistent
12 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

13 Dated: August 23, 2013
14 Los Angeles, California

15 JAN LYNN OWEN
16 Commissioner of Business Oversight

17 By _____
18 MARY ANN SMITH
19 Deputy Commissioner
20 Enforcement Division
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