

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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IN THE MATTER OF: )

SCOTT ASHTON RIGGS, )  
(CRD #3037639) and )

File No. 1400263

ASHTON ENERGY GROUP, INC, and )  
ASHTON EQUIPMENT GROUP, LLC, and )  
ASHTON OILFIELD SERVICES, LLC, and )  
DARRELL PARLEE, and )  
STEVEN J. MANDERFELD )

And their partners, officers and directors, )  
agents, employees, affiliates, members, )  
successors, subsidiary and/or associated )  
companies and assigns )

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**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENTS: Scott Ashton Riggs  
CRD#3037639  
5049 Silver Lake Drive  
Plano, Texas 75093**

**Ashton Energy Group, Inc. and  
Ashton Equipment Group, LLC and  
Ashton Oilfield Services, LLC  
3234 Commander Drive  
Carrollton, Texas 75006**

**Darrell Parlee  
710 Long Hill Court  
McKinney, Texas 75071**

**Steven J. Manderfeld  
4223 Rollo Court  
Flower Mound, Texas 75028**

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On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Scott Ashton Riggs (at times hereinafter "Riggs" or together with Ashton Energy Group, Inc., Ashton Equipment Group, LLC, Darrell Parlee and Steven J. Manderfeld "Respondents") has a last known address of 5049 Silver Lake Drive, Plano, Texas 75093.
2. Respondents Ashton Energy Group, Inc, Ashton Equipment Group, LLC and Ashton Oilfield Services, LLC (at times hereinafter "Companies" or together with Riggs, Darrell Parlee and Steven J. Manderfeld "Respondents") have a last known address of 3234 Commander Drive, Carrollton, Texas 75006.
3. Respondent Darrell Parlee (at times hereinafter "Parlee" or together with Riggs, Companies, and Steven J. Manderfeld "Respondents") has a last known address of 710 Long Hill Court, McKinney, Texas, 75071.
4. Respondent Steven J. Manderfeld (at times hereinafter "Manderfeld" or together with Riggs, Companies, and Parlee "Respondents") has a last known address of 4223 Rollo Court, Flower Mound, Texas, 75028.
5. At all relevant times herein Respondent Riggs was the CEO and controlling officer of Companies.
6. At all relevant times herein Respondent Parlee was an accountant and a principal officer/employee of Companies.
7. At all relevant times herein Respondent Manderfeld was an attorney and a "governing person" of Companies.
8. In 2008 Respondents' agents/employees phoned an Illinois resident ("Investor") and solicited the Investor to purchase "ownership interests in drilling equipment" for oil exploration.
9. The agents/employees of Respondents promised the Investor, a) that the "investment was not risky", b) that "70% of the money collected would go to the equipment costs and the other 30% would cover AEG's overhead" and c) the investors would receive "85% of the profits from the operation..."
10. Between January 2008 and January 2011 Investor made four (4) investments with Respondents totaling \$65,625.00.

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11. The activities described above in paragraphs 8-10 constitute the offer and sale of investment contracts and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

### FAILURE TO REGISTER SECURITIES

12. Respondents never registered the investment contract with the Illinois Securities Department.
13. Section 5 of the Act provides, *inter alia*, that "all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered ...prior to their offer or sale in this State."
14. Respondents failed to file an application with the Secretary of State to register the investment contract as required by the Act, and as a result the investment contract was not registered prior to their offer or sale in the State of Illinois.
15. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
16. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document, required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
17. By virtue of the foregoing Respondents violated Sections 12.A and 12.D of the Act.

### FRAUD

18. Respondents failed to pay Investor any of the profits due on the investment contracts.
19. Respondents did not spend the money as promised – i.e. to place 70% of the money toward equipment costs and 30% toward overhead - but instead converted most of the investment money to their own personal use and benefit.
20. Respondent failed and refused to notify Investor of the risk involved in the purchase of the investment contracts that could result in the loss of the money paid by the Investors, but rather told the Investor that the investment was "not risky."
21. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in

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connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

22. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
23. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
24. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if they make further offers, or if they make any sales of investment contracts or other securities described above in the State of Illinois.
25. The aforementioned findings are based upon credible evidence.
26. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
27. The entry of this Temporary Order of Prohibition prohibiting Respondents, or their agents, affiliates, members, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Scott Ashton Riggs, Ashton Energy Group, Inc., Ashton Equipment Group, LLC, Ashton Oilfield Services, LLC, Darrell Parlee, and Steven J. Manderfeld** and their partners, officers and directors, agents, employees, affiliates, members, successors, subsidiaries and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a

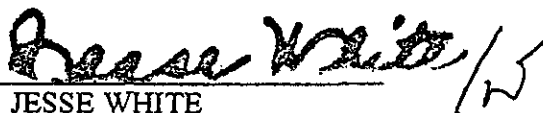
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hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 26<sup>th</sup> day of June 2014.

Handwritten signature of Jesse White in black ink, with a horizontal line underneath and a large 'W' to the right.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James J. Tierney  
Illinois Securities Department  
69 West Washington Street  
Chicago, Illinois 60602  
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