

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

IN THE MATTER OF:)
)
)

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

File No. 1400263

ORDER OF PROHIBITION

TO RESPONDENTS:

**Scott Ashton Riggs
CRD#3037639
5049 Silver Lake Drive
Plano, Texas 75093
And/or
9631 Carson Drive
Lantana, Texas 76226**

**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**

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on June 26, 2014 which prohibited Respondents **Scott Ashton Riggs, Ashton Energy Group, Inc., Ashton Equipment Group, LLC, Ashton Oilfield Services, L.L.C, Darrell Parlee, and Steven J. Manderfeld** and their partners, officers and directors, agents, employees, affiliates, members, successors, subsidiary and/or associated companies, and assigns from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

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 and/or 9631 Carson Drive, Lantana, Texas 76226.
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.
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 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.

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, subsidiary, and/or associated companies and assigns are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 19th day of August 2014.



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
312-793-9650