

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

IN THE MATTER OF:

SunDog Oil LLC, its managers, officers, affiliates,
Subsidiaries, representatives, successors, and assigns,
And
AJ Oil LLC, its managers, officers, affiliates,
Subsidiaries, representatives, successors, and assigns,
And
Brunswick, its managers, officers, affiliates,
Subsidiaries, representatives, successors, and assigns,
And
JR Oil LLC, its managers, officers, affiliates,
Subsidiaries, representatives, successors, and assigns,
And
JR Oil 2 LLC, its managers, officers, affiliates,
Subsidiaries, representatives, successors, and assigns,
And
Piolet Oil LLC, its managers, officers, affiliates,
subsidiaries, representative, successors, and assigns,
And
Benz Oil LLC, its managers, officers, affiliates,
subsidiaries, representative, successors and assigns,
And
James Piolet, an individual and Edmond Blake
Andrews, an individual; Jairo Rodriquez, an individual,
and; Donald DePriest, an individual

File No. 1600728

CONSENT ORDER

To Respondents:

James Beth Piolet
3209 NE 36th Street Apt # 6
Fort Lauderdale, FL 33308

Edmond B. Andrews
6212 N. State Road 7 Apt
201
Coconut Creek, FL 33073-
3671

Benz Oil LLC
Harvard Business Services,
Inc (Agent)
16192 Costal Highway
Lewes, Delaware 19958

Jairo Antonio Rodriguez
705 NW 111th Ct Apt. 5
Miami, FL 33172-3731

Donald DePriest
510 N 7th Street
Columbus, MS 39701

JR Oil 2 LLC
Harvard Business Services,
Inc (Agent)
16192 Costal Highway
Lewes, Delaware 19958

SunDog Oil, LLC
Illinois Corporation Service
C (Agent)

AJ Oil LLC
Harvard Business Services,
Inc (Agent)

JR Oil LLC
Harvard Business Services,
Inc (Agent)

801 Adlai Stevenson Drive
Springfield, IL 62703

16192 Costal Highway
Lewes, Delaware 19958

16192 Costal Highway
Lewes, Delaware 19958

Pielet Oil LLC
Harvard Business
Services, Inc (Agent)

16192 Costal Highway
Lewes, Delaware 19958

RESPONDENTS ATTORNEY:

Dennis A. Berkson
180 N. LaSalle
Chicago, Il 60601

WHEREAS, Respondents, on November 5, 2018, executed a certain Stipulation to Entry Consent Order of Prohibition (the Stipulation”), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and serve of the Notice of Hearing in this matter and the Respondents have consented to the entry of this Consent Order of Prohibition (“Consent Order”).

WHEREAS, Respondents made no admission of guilt however interpose no defense to the allegations contained in the Complaint. The following shall be adopted as the Secretary of State’s Conclusion of Law and Finding of Facts

- 1) Acknowledge representation by Attorney Mr. Dennis Berkson
- 2) Acknowledge service upon them of the Notice of Hearing (“Notice”) dated November 16, 2018.
- 3) Respondents do not object to the Secretary of State’s jurisdiction over them or the subject matter.
- 4) Waive compliance with the provisions of the Administrative Procedure Act (5 ILCS 100.10-5 et. Seq.) regarding contested cases pursuant to Section 25 thereof.
- 5) Waive any and all rights to hearing and post hearing procedures otherwise available pursuant to the Illinois Securities Law of 1953 (815 ILCS 5/1 et.seq) (“Act”).
- 6) Waiver any rights they may have to judicial review by any Court by way of suit, appeal or extraordinary remedy resulting from the entry of the Consent Order of Prohibition.

BACKGROUND

- 7) Around June of 2014, Investor A invested an amount exceeding \$70,000 initial investment in an Oil drilling venture in Decatur, IL. Investor was advised that Respondents were seeking investors in order to complete the oil extraction process. The investment would entitle all investors to a shareholder's percentage (based on the level of investment) in the drilling projects.
- 8) Respondents held Dr. Ulrich Rabatach out as a "PHD Petroleum Geology" and as an expert in this field. Mr. Rabatach does not maintain an active license in the State of Illinois.
- 9) In later 2014, Respondent Piolet requested that Investor A write all additional check/s payable to Brunswick Management LLC.
- 10) Investor A believed that he was purchasing a percentage ownership in the profit from the production of oil proceeds. In a letter from James Piolet/ AJ Oil LLC dated October 15, 2015, titled "AJ Oil Membership Invest/ Friendly Reminder" confirmed Investor A's 0.21% shareholder's interest. This letter further stated that the equity participation of 0.21% will be held in the name of AJ Oil LLC and paid directly to your Wells Fargo account on a monthly basis.
- 11) Under the Piolet's Oil webpage "Investor's Area" dated November 11, 2015, Investor A was advised as follows: "

" All investors only share in the revenue. No investor will share in any expenses of drilling future oil wells and no investor will be diluted and will keep his agreed percentage. All expense including but not limited to drilling, office, operational expense and any other expense are not going to be paid for by the Investors. All of those expenses are paid for by the general partner".
- 12) Investor A received Schedule K-1 from AJ Oil Limited Liability Company from Michener, Stacy, Thomas & Associates, an accounting firm in Mississippi, beginning in 2015- present which shows that all of Investor's A profits consumed by "intangible drilling cost".
- 13) Respondents invited Investor A to the extraction site in Decatur, IL in order for him to see the "operation".
- 14) In 2015, Investor A met with all Respondents in Decatur, IL and was provide a tour of the oil drilling site.
- 15) After this meeting with Respondents, Investor A began investing additional funds as well as invited six other friends and family to invest.

- 16) Investor A's total investment (including family and friends) was roughly \$500k. Respondent Piolet requested that Investor A write all additional checks payable to Sundog LLC.
- 17) Investor A began to have doubts regarding this investment when Respondents would provide conflicting statements as to the status of the project.
- 18) Piolet's Oil webpage "Investor's Area" dated November 11, 2015, states the following:
- " I am [Respondent Piolet] anticipating you will have your principal back within 6- months at the most. You will enter into a division order with Plains Marketing, the refinery with whom we have a contract. They will pay you directly once a month for your percentage of the oil sales less 1/8 for the land owner who has leased to us, and a de minimis severance tax. There will be no other deductions from your oil remittances. There will be no capital calls. Your interest is fully paid"
- 19) In a correspondence dated November 17, 2016, from Sundog Oil LLC regarding " Macon Illinois Crude Oil Project" it was further echoed that
- " I [Edmond Andrew], Managing Member of EBA Oil LLC/ SunDog LLC, want to remind you that SunDog is covering the capital costs, with no capital calls on the joint venture participates, and that there has been no dilution of participants' interest"
- 20) Neither investor A nor any of his investing partners have received any profits.
- 21) Subsequently, Investor A requested that Respondents return his investment. He was advised that either he or Respondents would have to find a replacement investor prior to a return of funds.
- 22) Investor B invested in excess of \$10,000 in an oil venture located in Decatur, Illinois. Investor B was advised by Respondent Piolet that investors were needed to complete the oil extraction process.
- 23) Respondent Piolet requested that Investor B make check payable to Benz Oil LLC.
- 24) Investor B's point of contact was Respondent Piolet however he made contact with all other Respondents though either e-mail or cell phone.
- 25) Agreement #2 is an undated letter from Brunswick Management titled " *Macon County Illinois Five Oil Pools Project*" and provides the following:

I am [Respondent Piolet] anticipating you will have your principal back within 6- months at the most. You will enter into a division order with Plains Marketing,

the refinery with whom we have a contract. They will pay you directly once a month for your percentage of the oil sales less 1/8 for the land owner who has leased to us, and a de minimis severance tax. There will be no other deductions from your oil remittances. There will be no capital calls. Your interest is fully paid.

- 26) Investor B became suspicious of the authenticity of the investment when Respondents were unable to provide clear answers regarding the status of the extraction.
- 27) Investor B has never received any payments from the investment.
- 28) Respondents requested additional funds from Investor B in order to expedite the project. Investor B refused and requested the return of his investment.
- 29) Respondents advised him that he needed to contact their attorney Mr. Donald DePriest to discuss the refund of his investment.
- 30) Mr. DePriest represented himself as an attorney to Investor B. Upon review, counsel can find no indication that Mr. DePriest is a license/unlicensed attorney in Illinois, Florida or Mississippi.
- 31) Mr. DePriest advised Investor B that in order to have his investment returned a replacement investor(s) was needed

COUNT I: FAILURE TO REGISTER SECURITIES

- 1) That paragraphs seven (7) through (32) thirty-three state above in Count I are-alleged and incorporated herein.
- 2) The above-referenced investments are securities as that term is defined pursuant to Section 2.1 of the Illinois Securities Law of 1953 (815 ILCS 5/1 et seq.) (the Act).
- 3) Section 12. C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment adviser, or investment adviser representative.
- 4) That by acting as salesperson and/or dealer in the State of Illinois, without being register as such, Respondents violated section 12. C of the Act.
- 5) Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.

- 6) Section 12. A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
- 7) Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act.

**COUNT II: UNREGISTERED DEALER/SALESPERSON/INVESTMENT
ADVISOR/INVESTMENT ADVISOR REPRESENTATIVE**

- 1) That paragraphs seven (7) through (32) thirty-three state above in Count I are-alleged and incorporated herein.
- 2) Through the conduct described above, Respondents acted as a dealer and/or salesperson and/or investment advisor and/or investment advisor representative.
- 3) That all relevant times, Respondents were not registered as a dealer and/or salesperson under the Act.
- 4) That at all relevant times, Respondents, were not registered as an investment advisor and/or investment advisor representative under the Act.
- 5) Respondents received compensation from the proceeds of the checks written by the above referenced investors. In addition, Respondents activity encouraged Investor A to invest additional funds as well as to recruit others.
- 6) Section 12. C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment adviser, or investment adviser representative.
- 7) That by acting as salesperson and/or dealer in the State of Illinois, without being registered as such, Respondents violated section 12. C of the Act.

COUNT III. MISLEADING CONDUCT

- 1) That paragraphs seven (7) through (32) thirty-three state above in Count I are-alleged and incorporated herein.
- 2) Respondents mislead investors as to the level of profitability of the oil wells. Respondents frequently advised investors that dividends were expected within a short timeframe.

- 3) In addition, under the Pielet Oil webpage "Investor's Area" Respondents pledged that the investors would have a return of principal "within- 6 months and the most".
- 4) In spite of numerous attempts by investors to received return of the principal and/or payments from the investment under the Agreement. Respondents failed to make any payments of principal and or dividends from the investment.
- 5) Respondents distributed misleading statements and agreements to the investors.
- 6) 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.
- 7) Section 12. H of the Act provides, inter alia, that it shall be a violation to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
- 8) Respondents' actions, as state herein, violated Section 12 F and G of the Act.

COUNT IV. FAILURE TO CONDUCT DUE DULIGENCE

- 1) That paragraphs seven (7) through (32) thirty-three state above in Count I are-alleged and incorporated herein.
- 2) Respondents held Ulrich Rabatach out as a geologist and an expert in the oil and gas extraction field. Ulrich Rabatach was held out by the Respondents as a graduate of MIT (Massachusetts Institute of Technology).
- 3) The Illinois Securities Department has as contacted MIT and they searched the school records and there is no record of an individual by the name of Ulrich Rabatach having graduated from that institution.
- 4) In addition the Respondents held Donald DePriest out as an attorney to investors. The Illinois Securities Department can find no law license for Mr. DePriest in Illinois, Florida or Mississippi.
- 5) Section 12.G of the Act provides, inter alia, 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 the light of the circumstances under which they were made, not misleading.

- 6) Respondents' actions, as stated herein, violated Section 12. G of the Act.

WHEREAS, Respondents have acknowledge that the allegations contained in the Stipulated shall be adopted as the Secretary of State's Conclusions of Law as follow:

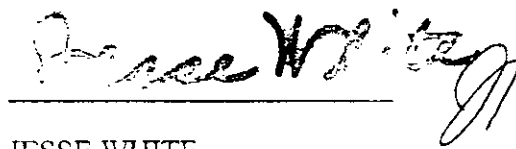
- 7) Section 11.E (1) of the Act provides, inter alia, if the Secretary of State finds that the offer of sale or proposed offer or sale of any securities is being offered or sold in violation of Section 12 of the Act, the Secretary of State may by written order permanently prohibit or deny the registered of securities or the exemption from registration for the securities.
- 8) Section 11.E (2) of the Act provides, inter alia, that if the Secretary of State finds that any person violated subsection D of Section 12 of the Act, the Secretary of State may be written order prohibit the person from offering or selling any securities in this State.
- 9) Section 11. E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000 for each violation of the Act.
- 10) The above referenced Respondents are subject to a fine of up to \$10,000 per violation, an order of censure and an offering which permanently prohibits Respondents from offering or selling securities in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

- 1) Respondents made no admission of guilt however interpose no defense to the allegations contained in the Complaint. The following shall be adopted as the Secretary of State's Conclusion of Law and Finding of Facts
- 2) Respondents are PERMANENTLY PROHIBITED from registering any securities any exemptions from registration for any securities and PREMANENTLY PROHIBITED from offering or selling any securities in or from the State of Illinois.

- 3) The Illinois Securities Department will retain jurisdiction over this proceeding for the purpose of enforcing the prohibitions of the Stipulations.
- 4) The Notice of Hearing in this matter is dismissed

Dated: This 16th day of November 2018

A handwritten signature in black ink, appearing to read "Jesse White", is written over a horizontal line. The signature is stylized and includes a large flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Yolanda Simmons
Illinois Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-9650
ysimmons@ilsos.net