

**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; 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, )  
James Piolet, an individual and; Edmond Blake )  
Andrews, an individual; Jairo Rodriquez, )  
an individual, and; Donald DePriest, an individual )

NO: 1600728

**NOTICE OF HEARING**

**To Respondents:**

James Beth Piolet  
3209 NE 36<sup>th</sup> 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

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

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

Donald DePriest  
510 N 7<sup>th</sup> 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 )  
801 Adlai Stevenson Drive  
Springfield, IL 62703

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

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

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [ 815 ILCS 5 ] ( The "Act" ) and 14 Ill. Adm. Code 130, subpart K, a public hearing will be held at 69 W. Washington, Suite 1220, Chicago, Illinois 60602, on November 29, 2018 at the

hour of 10:30 am or as soon thereafter as possible because James L. Kopecky, Esq. or such other designation Hearing Officer as the Secretary of State may appoint.

Said hearing will be held to determine whether an Order of Prohibition shall be entered against the above referenced Respondents.

The grounds for such proposed action are as follows:

### **BACKGROUND**

- 1) 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 sharehold's percentage (based on the level of investment) in the drilling projects.
- 2) 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.
- 3) In later 2014, Respondent Piolet requested that Investor A write all additional check/s payable to Brunswick Management LLC.
- 4) 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.
- 5) 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".
- 6) 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".

- 7) Respondents invited Investor A to the extraction site in Decatur, IL in order for him to see the "operation".
- 8) In 2015, Investor A met with all Respondents in Decatur, IL and was provide a tour of the oil drilling site.
- 9) After this meeting with Respondents, Investor A began investing additional funds as well as invited six other friends and family to invest.
- 10) 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.
- 11) Investor A began to have doubts regarding this investment when Respondents would provide conflicting statements as to the status of the project.
- 12) 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"
- 13) 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"
- 14) Neither investor A nor any of his investing partners have received any profits.
- 15) 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.
- 16) 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.
- 17) Respondent Piolet requested that Investor B make check payable to Benz Oil LLC.

- 18) Investor B's point of contact was Respondent Piolet however he made contact with all other Respondents though either e-mail or cell phone.
- 19) 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.
- 20) Investor B became suspicious of the authenticity of the investment when Respondents were unable to provide clear answers regarding the status of the extraction.
- 21) Investor B has never received any payments from the investment.
- 22) Respondents requested additional funds from Investor B in order to expedite the project. Investor B refused and requested the return of his investment.
- 23) Respondents advised him that he needed to contact their attorney Mr. Donald DePriest to discuss the refund of his investment.
- 24) 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.
- 25) 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 registered 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**

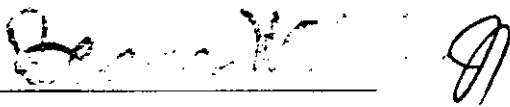
- 1) That paragraphs seven (7) through (32) thirty-three state above in Count I are-alleged and incorporated herein.
- 2) Respondents mislead investors as to the level of profitability of the oil wells. Respondents frequently advised investors that dividends were expected within a short timeframe.
-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

Date 16<sup>th</sup> of November 2018



JESSE WHITE  
Secretary of State  
State of Illinois

**You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.**

**Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you. A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois website**

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