

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
)	
HI-TECH ENERGY INC)	
JOHN LOUIS WETZEL)	ADMINISTRATIVE ORDER
FREDRICK MURPHY)	NO. CD-2013-0008
JOHN VANDERFIELD)	
)	
RESPONDENTS)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **HI-TECH ENERGY, INC. ("HITECH")** is a California Corporation having a commercial address of 5482 Wilshire Boulevard, Suite 341, Los Angeles, California, 90036.
2. **JOHN LOUIS WETZEL ("WETZEL")**, at all times relevant, acted as the agent for service and incorporator for HITECH with a business address of 655 S. Flower Street, Suite 305, Los Angeles, California, 90017.
3. **FREDRICK MURPHY ("MURPHY")**, at all times relevant, acted as the owner of HITECH, with a commercial business address of 5482 Wilshire Boulevard, Suite 341, Los Angeles, California, 90036.
4. **JOHN VANDERFIELD ("VANDERFIELD")**, at all times relevant, acted as an agent for HITECH, with a commercial business address of 5482 Wilshire Boulevard, Suite 341, Los Angeles, California, 90036.

STATEMENT OF FACTS

5. The Commission is in receipt of information that in August 2011, a representative of HITECH engaged in the offer and sale of unregistered securities, to wit: fractional working interests in oil and gas leases or "units" in the BLUFF CREEK 3D PROSPECT wells in Shackelford, Texas, to an Alabama resident.

6. Information made available to the Commission indicates that VANDERFIELD made a general solicitation ("cold call") to an Alabama resident. Offering documents entitled Confidential Private Placement Memorandum were mailed by representatives of HITECH to the same Alabama resident. The offering materials represented MURPHY as the managing director and WETZEL as the incorporator of HITECH.

7. The offering memorandum describes the investment offered to the Alabama resident as the participation in units of working interest and net revenue interest in the business of exploration, production from, and operation of oil and gas wells (the "prospect well") in Shackelford County, Texas. A total of twenty one (21) units at a cost of \$50,000 per unit are being offered with each unit having a 4.761% working interest and a 2.857% net revenue interest in the ten (10) well prospect.

8. As a further inducement to potential investors, HITECH offered a guarantee of principal. The offering memorandum describes a "*100% Unconditional Guarantee you will not lose your Investment Capital on your first 10 well drilling project.*" According to MURPHY, should no oil producing wells be created in this offer, HITECH will provide an additional ten well prospect for free.

9. On October 25, 2011, the Alabama resident issued funds in the amount of \$12,500.00 to HITECH for one quarter (1/4) unit. Documents obtained by the Commission revealed that WETZEL endorsed the investment check which was issued to HITECH.

10. Documents obtained by the Commission revealed the HITECH incorporator address located at 655 S. Flower St. #305 is a postal mail box ("PMB") located at the

business Mailboxes, Mobiles & More. In addition, the HITECH business address located at 5482 Wilshire Boulevard Suite 341 is a PMB at a branch location for United Parcel Service.

11. A review of the files of the Commission conducted on March 12, 2013, disclosed that RESPONDENTS were neither registered nor exempt from registration to offer and/or sell securities in Alabama and that no security was registered as being offered by RESPONDENTS.

12. During an interview, the Alabama resident stated they had no knowledge and experience in the terms of the offered product, oil and gas well ventures. The interview further confirmed that the Alabama resident did not initiate the transaction and did not have a pre-existing relationship with the RESPONDENTS.

CONCLUSIONS OF LAW

13. The units of interest in the Bluff Creek 3D Prospect offered and/or sold by RESPONDENTS constitute certificates of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such title or lease. Alabama's statutory definition of *security* found at Section 8-6-2(10), Code of Alabama 1975 includes any *certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such title or lease*. The investment offered and/or sold by RESPONDENTS designated by RESPONDENTS as "units of fractional working interest" in the "Bluff Creek 3D Prospect" is a security under Alabama law.

14. Section 8-6-2 (10), Code of Alabama 1975, includes any *investment contract* in the definition of a security. The investment offered and/or sold by RESPONDENTS designated as "units of fractional working interest" in the "Bluff Creek Prospect" is an investment contract and constitutes a security under Alabama law.

15. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article. The definition of agent in Section 8-6-2(2), Code of Alabama

1975, includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. VANDERFIELD acted as an agent of HITECH under this definition and transacted business in Alabama without benefit of registration in violation of Section 8-6-3(a).

16. Pursuant to Section 8-6-3(a), it is unlawful for any dealer or issuer to employ an agent unless the agent is registered. HITECH, MURPHY and WETZEL employed VANDERFIELD as an agent who was not registered, in violation of Section 8-6-3(a), Code.

17. Pursuant to Section 8-6-4, Code of Alabama 1975 states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11." The securities offered and/or sold by RESPONDENTS were neither registered nor exempt from registration in Alabama in violation of Section 8-6-11, Code.

This Order does not prevent the Alabama Securities Commission from seeking such other administrative, civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

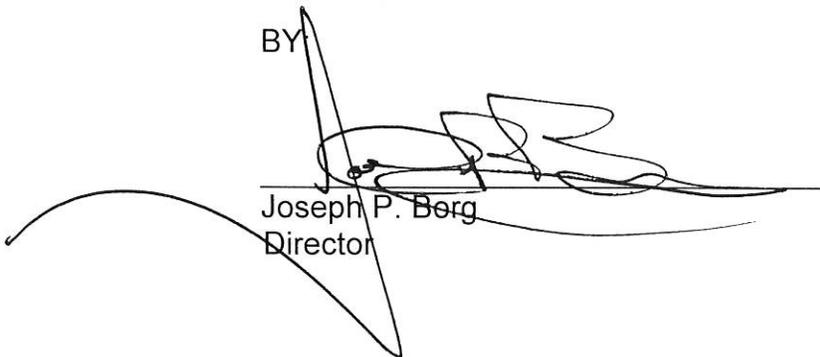
ACCORDINGLY, IT IS HEREBY ORDERED that the RESPONDENTS immediately CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 27th day of March, 2013.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
Montgomery, AL 36104
(334) 242-2984

BY



Joseph P. Berg
Director