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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of the State
of Washington by:

S-04-181-05-TO01

SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINE
AND RECOVER COSTS

Tri Energy, Inc. et al; their employees and agents

Respondents.

THE STATE OF WASHINGTON TO:

H & J Energy Company, Inc.
Marina Investors Group
Tri Energy, Inc.
Thomas Avery
Lowell Decker
Robert Jennings
Henry Jones
Arthur Simburg
Mildred Stultz
Ronald Stultz

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, H & J Energy Company, Inc, Marina Investors Group, Tri Energy, Inc., Thomas Avery, Lowell Decker, Robert Jennings, Henry Jones, Arthur Simburg, Mildred Stultz and Ronald Stultz each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each of them to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist

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1 from such violations would be hazardous to the investors and to the public and that a Summary Order to
2 Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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4 **TENTATIVE FINDINGS OF FACT**

5 **I. Respondents**

6 1. H & J Energy Company, Inc. (H & J Energy), a Nevada corporation, with corporate offices at
7 350 S Center Street, Suite 500, Reno, Nevada represents that it is in the business of coal mining.

8 2. Marina Investors Group, Inc. (Marina Investors Group), a California corporation, with
9 corporate offices of 1801 Lincoln Blvd. Suite 113, Venice CA, 90291 and 3017 Washington Blvd, Suite
10 115, Marina Del Rey, California, represents that it is in the business of movie and music production.

11 3. Tri Energy, Inc. (Tri Energy), a Nevada corporation, with corporate offices of 2533 N Carson
12 Street Box T-305, Carson City, Nevada represents that it is in the business of coal mining.

13 4. Thomas Avery (Avery) of Moreno Valley, California is the Senior Vice President and Vice
14 Chairman of Tri Energy. Avery is the Secretary of H & J Energy.

15 5. Lowell Decker (Decker) of Placerville, California is an officer of Tri-Energy.

16 6. Robert Jennings (Jennings) of Perris, California is the President and Chairman of Tri Energy.
17 Jennings is the President and Treasurer of H & J Energy.

18 7. Henry Jones (Jones) of Culver City, California is the owner of Marina Investors Group.

19 8. Arthur Simburg (Simburg) of Los Angeles, California is the Senior Vice President of Tri
20 Energy, Inc.

21 9. Mildred Stultz of Bremerton, Washington is a promoter/sales agent of Tri Energy.

22 10. Ronald Stultz of Bothell, Washington is a promoter/sales agent of Tri Energy.

1 II. Nature of the Offering

2 11. Beginning no later than September 2003 and continuing through at least January 2005, H & J
3 Energy, Tri Energy, Avery, Decker, Jennings and Simburg have raised over \$2,500,000 from offers and
4 sales to at least 49 Washington investors towards funding coal mine operations of Tri Energy and H & J
5 Energy and a Middle East gold investment organized by Marina Investors Group and Jones. Mildred and
6 Ronald Stultz acting in concert with and on behalf of respondents H&J Energy, Tri Energy, Avery, Decker,
7 Jennings, Simburg, Marina Investors Group and Jones solicited and introduced many of the investors to
8 these investment opportunities.

9 How investors learned of Tri Energy the investment opportunity

10 12. Many of the investors learned of the investment opportunity through Mildred and Ronald
11 Stultz. Investors met Mildred Stultz through Millionaire Mind seminars run by Peak Potentials Training,
12 Inc. of North Vancouver, Canada. Millionaire Mind seminars, lead by motivational speaker T. Harv Eker,
13 are designed to help people “develop a millionaire mind” and “reach their financial potential.” Mildred
14 Stultz met people during the networking segment of seminars and told them about the Tri Energy
15 investment opportunity. Mildred Stultz provided the potential investors with a telephone number for a
16 nightly conference call coordinated by Decker for Tri Energy.

17 What Investors were told

18 13. When the investors called the conference call telephone number, they were introduced to
19 Simburg and Jennings who explained to them the investment opportunity in Tri Energy and directed the
20 callers to the company web site, www.trienergy.net, for additional information.

21 14. Early investors were told that their money was going toward the development of Tri Energy's
22 coal mines while later investors were told that they had the option to invest in either the coal mines or a gold
23 investment based upon the amount of money invested, and even later investors were told that Tri Energy

1 was using nearly all the money they raised for the gold deal with only a small portion going towards the coal
2 mine operations.

3 15. Jennings and Simburg told the investors that they would double their investment in 30 to 60
4 days by investing in Tri Energy. Investors were also told that if they invested \$100,000 the money was
5 going to be used for an investment in a gold transaction through Jones and Marina Investors Group and that
6 they could triple their money in the gold investment. Simburg and Jennings said that the money was going
7 toward the gold investment because they were going to get so much money from that transaction that they
8 would be able to pay the investors back and finance the development and expansion of the coal mine
9 operations.

10 16. Investors were told that Jones was facilitating the sale and transfer of 5,000 metric tons of
11 Israeli gold to Dubai. Investors were told that the gold was stored in Jordan, that the deal was going to be
12 finalized in Luxemburg and that it was politically sensitive because the countries involved would not want
13 the public to know they were conducting business with one another. Investors were told that their money
14 was going to be used to pay costs, including legal fees and storage fees, associated with the transaction.

15 17. Individuals that showed interest in the investment opportunities were sent a packet of
16 information that included a memo from Simburg on Tri Energy letterhead explaining particular coal mine
17 acquisitions the company was making, a promissory note stating that the investor would receive their
18 principal and 100% interest in sixty days or principal and 200% interest if the money is used for the Marina
19 Investors Group project. The packet of information also included a coal mine project evaluation and wire
20 instructions for where investors should send their money.

21 H & J Energy Investment

22 18. At least one Washington resident invested in H & J Energy in October and again in
23 November 2003. The investor was told that he would triple his money in three to four weeks. Much like

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1 many of the Tri Energy investors, the H & J investor was told that his money was going toward a gold
2 transaction in the Middle East. The H & J investor was told that his investment was secured by coal mining
3 operation owned by H & J Energy.

4 III. Misrepresentations and Omissions

5 19. The offering material provided by to investors failed to provide financial statements for Tri
6 Energy, H & J Energy or Marina Investors Group. H & J Energy and Tri Energy investors were not provided
7 with material information regarding the current and long-term profitability expectations for the coal mines
8 purportedly controlled by H & J Energy and Tri Energy. Additionally, investors were not provided with
9 material information regarding the ability of Tri Energy and Marina Investors Group to pay their stated rates of
10 investment return.

11 IV. Registration Status

12 20. H & J Energy, Marina Investors Group and Tri Energy are not currently registered to sell their
13 offering of investment opportunities in the state of Washington and have not previously been so registered.

14 21. Avery, Decker, Jennings, Jones, Simburg, Mildred Stultz and Ronald Stultz are not currently
15 registered as securities salespersons or broker-dealers in the state of Washington.

16 Based on the foregoing Tentative Findings of Fact, the following Conclusions of Law are made.

17 **CONCLUSIONS OF LAW**

18 I. Securities

19 22. The offer and/or sale of the investment opportunities described above constitutes the offer
20 and/or sale of a security as defined in RCW 21.20.005 (10) and (12).

21 II. Anti-Fraud Provision

22 23. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as set
23 forth in the Tentative Findings of Fact, Respondents misstated of omitted to state material facts necessary in

1 order to make the statements made, in the light of the circumstances under which they were made, not
2 misleading.

3 III. Registration of Securities

4 24. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section
5 of the Securities Act, because no registration for such offer and/or sale is on file with the Securities
6 Administrator of the state of Washington.

7 IV. Registration of Broker-Dealer and Salespersons

8 25. Respondents Avery, Decker, Jennings, Jones, Simburg, Mildred Stultz and Ronald Stultz have
9 each violated RCW 21.20.040 by offering and/or selling said securities while not being registered as a broker-
10 dealer or securities salesperson in the state of Washington.

11 **EMERGENCY**

12 The Securities Administration finds that an emergency exists and that the continued violations of RCW
13 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Tri Energy,
14 Avery, Decker, Jennings, Simburg have continued to solicit investor funds even when notified by the Montana
15 Securities Commission that their offerings might be in violation of the Montana Securities Act. Mildred Stultz
16 has continued to solicit investor funds even after she became aware of the Washington State Department of
17 Financial Institutions, Securities Division investigation into this matter and the Securities Divisions efforts to
18 serve her with an administrative subpoena to provide documents and testimony. Based on the foregoing, a
19 Summary Order to Cease and Desist from those violations is in the public interest and necessary for the
20 protection of the investing public.

1 **SUMMARY ORDER**

2 Based upon the foregoing:

3 IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents, H & J Energy Company,
4 Inc., Marina Investors Group, Inc., Tri Energy, Inc., Thomas Avery, Lowell Decker, Robert Jennings, Henry
5 Jones, Arthur Simburg, Mildred Stultz, Ronald Stultz, their agents, and employees shall each cease and desist
6 from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

7 It is further SUMMARILY ORDERED that H & J Energy Company, Inc., Marina Investors Group,
8 Inc., Tri Energy, Inc., Thomas Avery, Lowell Decker, Robert Jennings, Henry Jones, Arthur Simburg, Mildred
9 Stultz Ronald Stultz, their agents, and employees shall each cease and desist from violating RCW 21.20.140,
10 the securities registration section of the Securities Act.

11 It is further SUMMARILY ORDERED that Respondents, H & J Energy Company, Inc., Marina
12 Investors Group, Inc., Tri Energy, Inc., Thomas Avery, Lowell Decker, Robert Jennings, Henry Jones, Arthur
13 Simburg, Mildred Stultz Ronald Stultz, their agents, and employees shall each cease and desist from violating
14 RCW 21.20.040, the securities broker-dealer, securities salesperson registration section of the Securities Act.

15 **NOTICE OF INTENT TO IMPOSE FINE AND RECOVER COSTS**

16 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions
17 of Law, the Securities Administrator finds that Respondents H & J Energy Company, Inc., Marina Investors
18 Group, Inc., Tri Energy Inc., Thomas Avery, Lowell Decker, Robert Jennings, Henry Jones, Arthur
19 Simburg, Mildred Stultz Ronald Stultz have committed a knowing or reckless violation of the Securities Act
20 such that the imposition of a fine is appropriate. Therefore, the Securities Administrator intends to order
21 that the Respondents shall jointly and severally pay a fine in the amount of \$100,000 and (2) the costs, fees,
22 and other expenses incurred in the conduct of investigating this matter, in any amount not less than \$3,000.

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1 **AUTHORITY AND PROCEDURE**

2 This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of
3 Chapter 34.05 RCW. The Respondents, H & J Energy Company, Inc., Marina Investors Group, Inc., Tri
4 Energy Inc., Thomas Avery, Lowell Decker, Robert Jennings, Henry Jones, Arthur Simburg, Mildred Stultz
5 and Ronald Stultz may each make a written request for a hearing as set forth in the NOTICE OF
6 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. A request
7 for a hearing should be in writing and sent to Michael E. Stevenson, Securities Administrator, Department of
8 Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Tyler Letey.

9 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above
10 Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist
11 permanent and impose the fine and costs as to that Respondent.

12 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

13 DATED and ENTERED this 28th day of February, 2005

14 *Michael E. Stevenson*

15 _____
16 MICHAEL E. STEVENSON
17 Securities Administrator

18 Approved by:

18 Presented by:

19 *Martin Cordell*

19 *Tyler Letey*

20 _____
21 Martin Cordell
22 Chief of Enforcement

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21 Tyler Letey
22 Financial Legal Examiner

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