STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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IN THE MATTER OF DETERMINING

U.S. EMERALD ENERGY COMPANY, INC.; EDWARD A. BENSON; their employees and agents,

Whether there has been a violation of

the Securities Act of Washington by:

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Respondents.

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CONSENT AGREEMENT

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CONSENT AGREEMENT

Case No. 98-11-356

CONSENT AGREEMEN

THE STATE OF WASHINGTON TO: U.S. EMERALD ENERGY COMPANY, INC. and EDWARD A. BENSON

Pursuant to the Securities Act of Washington, the Securities Division, Department of Financial Institutions, State of Washington ("Securities Division"), U.S. Emerald Energy Company ("U.S. Emerald"), and Edward A. Benson ("Benson"), do hereby enter into this Consent Agreement in settlement of the matters alleged herein. Respondents U.S. Emerald and Benson neither admit nor deny the Allegations as set forth below.

ALLEGATIONS

I. RESPONDENTS

- 1. U.S. Emerald Energy Company, Inc. ("U.S. Emerald") is a Texas Corporation with its principal place of business located at 12941 I-45 N., Suite 516, Houston, Texas 77060.
 - 2. U.S. Emerald acts as the joint venture manager for the West Roeder Joint Venture ("Joint Venture").
- 3. U.S. Emerald is not currently registered to offer and sell its securities in the State of Washington, has not previously been so registered, and no notification of claim of exemption for offers is on file with the Securities Administrator of the State of Washington.
- 4. Edward A. Benson ("Benson") is employed by U.S. Emerald as an Oil & Gas Consultant, and has promoted and offered interests in the West Roeder Joint Venture.

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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5. Benson is not currently registered as a securities broker-dealer or salesperson in the State of Washington, and has not previously been so registered.

II. NATURE OF OFFERING

- 6. From October 21, 1998 through October 24, 1998, representatives of U.S. Emerald participated in a trade show/seminar called the Second Annual Seattle Money Show ("Money Show") in Seattle, Washington. The Money Show is a commercial venture marketed to the general public who have access to a number of business and commercial vendors involved in the financial industries, including U.S. Emerald.
- 7. Securities Division investigators attended the Money Show and visited the U.S. Emerald booth where they received general information regarding U.S. Emerald's involvement in the oil and gas industry.
- 8. A few weeks following the Money Show, a Securities Division investigator received offering materials from U.S. Emerald offering interests in the West Roeder Joint Venture. The offering materials included a Summary of the Offering, a Geological Summary, as well as an Application Agreement. According to the Summary of the Offering, the primary investment objective of the Joint Venture is the acquisition of 46% of the Working Interest in a Gulf Coast well.
- 9. Subsequently, Benson called the Securities Division investigator and offered the investigator to invest in the Joint Venture, with the subscription price for each interest at \$25,000.
- 10. According to Benson, a Joint Venture investor could receive a return of up to ten times the investor's principal investment.

AGREEMENT AND CONSENT

Based on the foregoing allegations,

- IT IS AGREED that U.S. Emerald, Edward Benson, their employees and agents, shall each cease and desist from offering interests in the West Roeder Joint Venture in the State of Washington.
- 2. IT IS AGREED that U.S. Emerald, Edward Benson, their employees and agents, shall not violate RCW 21.21.140, by offering and/or selling unregistered securities.

1	3. IT IS AGREED that U.S. Emerald will report to the Securities Division any and all future sales		
2	investments to Washington residents, regardless of whether U.S. Emerald believes such investments may not constitu		
3	securities.		
4	4. IT IS AGREED that Edward Benson and his employees and agents shall not violate RCW 21.20.040, t		
5	section of the Securities Act requiring securities salesperson and broker-dealer registration.		
6	5. IT IS AGREED that U.S. Emerald will reimburse the Securities Division \$500 for its costs of the		
7	investigation.		
8	6. IT IS AGREED that U.S. Emerald and Edward Benson each waive their right to a hearing in this matter		
	7. IT IS AGREED that the Securities Division has jurisdiction to enter this Consent Agreement.		
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11	U.S. Emerald Energy Company, Inc. Date	Edward A. Benson	Date
13	By:(Print name and title)		
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16	DATED this day of, 1999.		
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19		DEBORAH R. BORTNI Securities Administrator	ER
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21	Approved by:	Presented by:	
22			
23	Michael E. Stevenson	Paul S. Ocampo	
24	Chief of Compliance	Staff Attorney	
25	CONSENT AGREEMENT	3 DEPAR	TMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033
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