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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
LICENSING, COMPLIANCE AND
ENFORCEMENT

Docket No. 120108 (SEC)

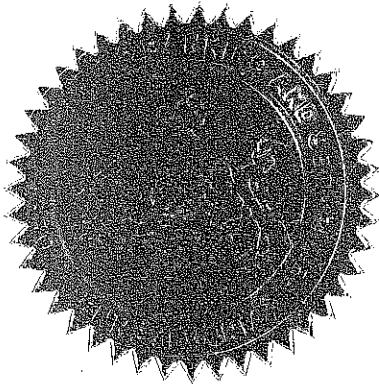
v.

NEW HI-TECH OIL & GAS
DISCOVERIES, LLC
DENNIS W. STUTES

ORDER

AND NOW, this 13th day of February 2013, upon review of the proposed Consent Agreement and Order submitted to the Banking and Securities Commission, it is hereby **ORDERED** that the proposed Consent Agreement and Order attached as Appendix A is **APPROVED** in its entirety and adopted as the final order in this matter.

BY ORDER:



Gerald J. Pappert, Chair
Executed on behalf of the
BANKING AND SECURITIES COMMISSION

Appendix A

FILED

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DEPARTMENT OF BANKING AND SECURITIES 2013 FEB 13 PM 4:12

COMMONWEALTH OF PENNSYLVANIA	:	ADMINISTRATIVE PROCEEDING
DEPARTMENT OF BANKING AND	:	
SECURITIES, BUREAU OF SECURITIES	:	
LICENSING, COMPLIANCE AND	:	
ENFORCEMENT	:	DOCKET NO. 120108 (SEC)
v.	:	
	:	
NEW HI-TECH OIL & GAS	:	
DISCOVERIES, LLC	:	
DENNIS W. STUTES	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Licensing, Compliance and Enforcement ("Bureau") has conducted an investigation of the securities activities of New Hi-Tech Oil & Gas Discoveries, LLC ("New Hi-Tech") and Dennis W. Stutes ("Stutes") pursuant to the Pennsylvania Securities Act of 1972, 70 P.S. §1-101, et. seq. ("1972 Act"). Based upon the results of the investigation, the Bureau has concluded that New Hi-Tech and Stutes have operated in violation of the 1972 Act. New Hi-Tech and Stutes, in lieu of litigation and additional investigation by the Bureau, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. At all times material herein, New Hi-Tech was an entity with addresses at 476 Pamlar Avenue, San Jose, California 95128; 16 East 16th Street, Suite 401, Tulsa, Oklahoma 74119; and 1501 N. 12th Street 1, Bismarck, North Dakota 58501-2713.

4. At all times material herein, New Hi-Tech was purportedly in the business of “investing in a diversified portfolio of oil and gas leasehold interests” and was a “production, development, and new drilling stage company.”

5. At all times material herein, New Hi-Tech was offering for sale limited liability company membership interests (“Interests”). The Interests are “securities” within the meaning of Section 102(t) of the 1972 Act, 70 P.S. § 1-102(t). New Hi-Tech is the “issuer” of the Interests within the meaning of Section 102(l) of the 1972 Act, 70 P.S. § 1-102(l).

6. Stutes was, at all times material herein, an individual with addresses at 476 Pamlar Avenue, San Jose, California 95128; 16 East 16th Street, Suite 401, Tulsa, Oklahoma 74119; and 1501 N. 12th Street 1, Bismarck, North Dakota 58501-2713.

7. At all times material herein, Stutes was the sole member and manager of New Hi-Tech and as such, Stutes is an “affiliate” of New Hi-Tech within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b).

8. In or about May 2012, Stutes sent an e-mail to at least one Pennsylvania resident (“PA Resident”) and offered for sale the Interests.

9. In or about May 2012, Stutes failed to disclose the following material facts to the PA Resident, which were necessary to make the statements made, in light of the circumstances under which they were made, not misleading:

a. On or about September 3, 2008, the Hawaii Commissioner of Securities issued a Cease and Desist Order (“Hawaii Order”) against Stutes for offering and selling unregistered securities in an oil and gas joint venture in violation of Hawaii state securities laws; and

b. On or about March 28, 2008, the California Department of Corporations issued a Desist and Refrain Order (“California Order”) against Stutes for the offer and sale of unregistered securities.

10. The PA Resident had no substantive, pre-existing relationship with New Hi-Tech or Stutes.

11. The PA Resident was not an “accredited investor” under Rule 501 of Regulation D, and did not have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the investment.

12. The records of the Department disclose that the Interests are (a) not registered under Section 201 of the 1972 Act, 70 P.S. § 1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. § 1-202; and (c) not federally covered securities; and further, the securities transactions relating to the Interests are not exempt under Section 203 of the 1972 Act, 70 P.S. § 1-203.

VIOLATION

13. By engaging in the acts and conduct set forth in paragraphs 3 through 12, New Hi-Tech and Stutes wilfully violated Sections 201 and 401(b) of the 1972 Act, 70 P.S. § 1-201 and § 1-401(b).

AUTHORITY

14. The Department has the authority to issue a Summary Order to Cease and Desist against New Hi-Tech and Stutes pursuant to Section 606(c.1) of the 1972 Act, *see* 70 P.S. §1-606(c.1).

15. The Department has the authority in Section 512(a) of the 1972 Act to issue a statutory bar when it determines that a person wilfully violates the 1972 Act or any rule or order thereunder, *see* 70 P.S. §1-512(a) and 70 P.S. §1-102(w).

RELIEF

16. The Summary Order to Cease and Desist issued against New Hi-Tech Oil and Gas Discoveries, LLC and Dennis W. Stutes issued on July 12, 2012 is a Final Order.

17. Pursuant to Section 512(a) of the 1972 Act, 70 P.S. § 1-512(a), the Department hereby bars Dennis W. Stutes for a period of five years from:

- a. Representing an issuer offering or selling securities in the Commonwealth of Pennsylvania;
- b. Acting as promoter, officer, director or partner of an issuer (or individual occupying a similar status or performing similar functions) offering or selling securities in the Commonwealth of Pennsylvania or of a person who controls or is controlled by such issuer;
- c. Being an affiliate of any person registered under Section 301; and/or
- d. Relying upon any exemption from registration contained in Sections 202, 203, or 302.

18. New Hi-Tech Oil & Gas Discoveries, LLC and Dennis W. Stutes are ordered to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Sections 201 and 401(b), 70 P.S. § 1-201 and 1-401(b).

19. Should New Hi-Tech Oil & Gas Discoveries, LLC and/or Dennis W. Stutes fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to his right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

20. Consent. New Hi-Tech and Stutes hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Department's authority under the 1972 Act and agree that it understands all of the terms and conditions contained herein. New Hi-Tech and Stutes, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

21. Entire Agreement. This Order contains the entire agreement between the Department and New Hi-Tech and Stutes. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the parties.

22. Binding Nature. The Department and Stutes and all officers, owners, directors, employees, heirs and assigns of them intend to be and are legally bound by the terms of this Order.

23. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

24. Effectiveness. New Hi-Tech and Stutes hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order (“Effective Date”).

25. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against New Hi-Tech and Stutes in the future regarding all matters not resolved by this Order; and

b. New Hi-Tech and Stutes acknowledge and agree that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

26. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

27. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

28. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

29. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

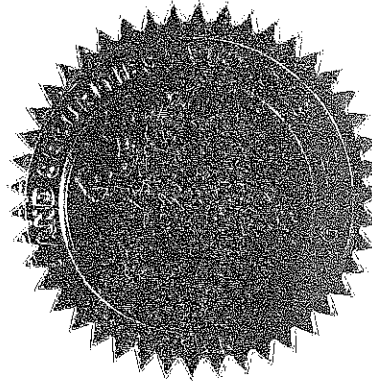
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities, Licensing, Compliance and Enforcement; New Hi-Tech Oil & Gas Discoveries, LLC; and

Dennis W. Stutes, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES LICENSING, COMPLIANCE AND ENFORCEMENT**

Aimee Toth
Deputy Secretary for the Bureau of Securities

Date: 2/11/13



NEW HI-TECH OIL & GAS DISCOVERIES, LLC

(Signature)

DENNIS W. STUTES
(Print Name)

MANAGER
(Title)

Date: 01/07/2013

DENNIS W. STUTES

(Signature)

DENNIS W. STUTES
(Print Name)

Date: JANUARY 7, 2013

RECEIVED

JAN 10 2013

DEPT OF BANKING AND SECURITIES
PITTSBURGH - 5th Avenue