



## Notice of Hearing

2

2. At some time after June 2012 Respondent Stratex either merged with, or otherwise acquired, **Richfield Oil and Gas Company** (at times hereinafter Richfield or "Respondent Richfield").
3. At all relevant times herein the name of Respondent "Stratex" shall include Respondent Richfield; and the names Stratex and Richfield may be used interchangeably.
4. In June 2012 Respondent Richfield, through its agents, solicited an Illinois resident ("Investor") to purchase stock in Richfield, and warrants to acquire stock in Richfield.
5. On June 1, 2012, through two subscription agreements which were signed and accepted by Respondent Richfield on June 5, 2012, Investor purchased 1 million shares of Richfield stock, and warrants to purchase an additional 1 million shares.
6. In consideration for the shares of stock and the warrants Investor paid Respondent Richfield \$250,000.
7. Respondents' activities described in paragraphs 4-6 involved the offer and sale of stock and warrants as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

### FRAUD

8. Prior to Investor's purchase of Richfield shares of stock and warrants, Richfield provided Investor with a "Prospectus", which purported and asserted various facts regarding the status of the Richfield company and its oil production.
9. The Investor relied on the Prospectus to make the decision to purchase Richfield stock and warrants.
10. One "fact" asserted in the Prospectus was that Richfield was, at the time of the Prospectus, producing "100 barrels" of oil per day.
11. The "fact" stated in the Prospectus that Richfield was, at the time of the Prospectus, producing "100 barrels" of oil per day was false.
12. Respondent Richfield was, at the time of the Prospectus, producing only 28 barrels of oil per day.
13. Respondent Richfield knew, or should have known, that Richfield was producing only 28 barrels" of oil per day at the time the Prospectus was presents to Investor.

## Notice of Hearing

3

14. Investor would not have purchased Richfield stock and warrants had Investor known that Richfield was producing only 28 barrels of oil per day.
15. Because of the Respondents' misrepresentation Investor lost over half of Investor's funds.
16. Richfield, through its Prospectus", misrepresented to Investor its true level of production of oil, and made an untrue statement to Investor.
17. The true level of oil production was a material fact that Respondent Richfield should have disclosed to Investor, but failed to do.
18. Respondent Richfield's course of business with Investor worked a deceit upon the Investor.
19. 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".
20. Section 12.G of the Act provides, *inter alia*, that 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.
21. By virtue of the foregoing, Respondents violated Sections 12.F, and 12.G of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance.

Notice of Hearing

4

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 7<sup>th</sup> day of July 2015.



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