



**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division**

DCCA News Release

LINDA LINGLE
GOVERNOR

LAWRENCE M. REIFURTH
DIRECTOR
Phone: (808) 586-2850
Fax: (808) 586-2856

FOR IMMEDIATE RELEASE: September 3, 2008

**HAWAII SECURITIES COMMISSIONER ISSUES CEASE AND DESIST
ORDER AGAINST OIL & GAS JOINT VENTURE**

HONOLULU – Hawai'i Commissioner of Securities, Tung Chan issued a preliminary order to cease and desist against an oil and gas scheme that netted more than \$1 million in funds from Hawai'i investors.

The order alleges that Dennis W. Stutes and George Crandlemire solicited investors in Hawai'i to invest in American Oil & Gas Revenue, Joint Venture #12 in violation of state securities laws. The respondents are accused of engaging in a scheme that promised investors a low-risk high-return on oil and gas prospecting based on the re-entry of existing wells that were previously capped.

The order includes accusations of fraudulent misrepresentation and failure to disclose material information about the investments such as the risks of investing in the joint venture and the background of management. Material misrepresentation and the failure to disclose are violations of antifraud provisions of the Hawai'i Uniform Securities Act.

The order seeks permanent injunctions against future violations, rescission, restitution and administrative penalties of \$750,000 against American Oil & Gas Revenue, Joint Venture #12 and Dennis W. Stutes and \$60,000 against George Crandlemire.

State securities regulators warn against oil and gas scams. High oil prices mean oil and gas scams will continue to attract victims. Oil and gas deals are complicated investments that generally require a significant investment, often requiring a minimum deposit of thousands of dollars.

“Increasingly, these deals are being promoted via the Internet with claims of attractive tax advantages and high returns,” explained Commissioner Chan. “Overall, these deals are highly risky and investors should do research, check with our offices, and approach these offers with caution.”

Hawai`i residents who have been contacted by, who have invested with, or who have any information regarding any of the above named parties are urged to contact the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs at 586-2740 on Oahu. The toll free numbers for the neighbor islands are as follows:

Securities Enforcement Branch:

Oahu	586-2744
Kauai:	274-3141, followed by 62744 and the # sign
Maui:	984-2400, followed by 62744 and the # sign
Hawaii:	974-4000, followed by 62744 and the # sign
Lanai & Molokai:	1-800-468-4644 (toll free), followed by 62744 and the # sign
Email:	seb@dcca.hawaii.gov

###

For more information, contact:
Christine Hirasa
Public Information Officer
Phone: 586-2622
Email: chirasa@dcca.hawaii.gov