

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
_____ DIVISION

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

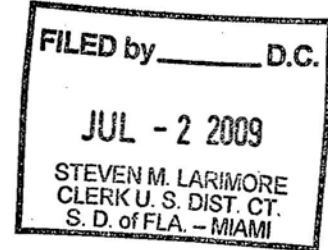
GEOTEC, INC.)
F/K/A GEOTEC THERMAL GENERATORS, INC.,)
BRADLEY T. RAY,)
WILLIAM RICHARD LUECK, and)
STEPHEN D. CHANSLOR,)

Defendants.)

09-80986

CIV-COHN

MAGISTRATE JUDGE
SELTZER



COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. The Commission brings this action to enjoin Geotec, Inc., William Richard Lueck, Bradley T. Ray, and Stephen D. Chanslor from violating the anti-fraud, reporting, books-and-records, and internal controls provisions of the federal securities laws.

2. From October 2004 until April 2005, Lueck, then president, chief executive officer and chief financial officer of Geotec, a publicly held microcap issuer, agreed to pay brokers an incentive to tout Geotec's stock.

3. Lueck arranged for Geotec to issue 100,000 shares of its stock to a purported promoter to be used to pay brokers to push Geotec's stock to customers. To conceal the true purpose of issuing the stock, Lueck suggested that Geotec enter into a bogus employment

agreement with the purported promoter. The deal was culminated in December 2004. Unbeknownst to Lueck, the purported stock promoter was an FBI confidential informant.

4. To further the fraud, Lueck caused Geotec to file an Annual Report with the Commission in April 2005 that falsely stated Geotec issued 100,000 shares of stock to an employee. Lueck falsely certified the Annual Report contained no material misstatements or omissions, despite knowing the stock promoter was not a Geotec employee.

5. In a second scheme from February 2005 until December 2006, Lueck, Ray (then vice president of development, Chairman, or CEO of Geotec), and Chanslor (then CFO of Geotec) caused Geotec to file reports with the Commission that stated Geotec had acquired millions of tons of coal while failing to disclose that the coal was subject to an Illinois receivership that prevented Geotec from actually acquiring, accessing or gaining dominion over it. They also caused Geotec to file reports with the Commission that falsely stated a reclamation permit had been obtained for the coal and reports that falsely recorded the coal as approximately \$18 million of inventory. In addition, Ray caused Geotec to file a report with the Commission that falsely recorded \$4.6 million in revenue from the sale of coal when, in truth, no such sale had occurred. Lueck, Ray and Chanslor each signed one or more of these false reports. Geotec also failed to have an independent accountant review its quarterly reports.

6. Through the conduct set forth above and described in more detail below, the Defendants violated Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

7. Furthermore, each of the defendants violated or aided and abetted violations of various Exchange Act sections and rules relating to reports Geotec was required to publicly file with

the Commission and books and records the company and the individual defendants were required to keep on behalf of Geotec.

8. The Commission asks the Court to enter: (1) permanent injunctions restraining and enjoining the Defendants from violating the federal securities laws; (2) orders directing Lueck, Ray, and Chanslor to pay civil money penalties; and (3) orders barring Lueck, Ray, and Chanslor from serving as an officer or director of a public company.

II. DEFENDANTS AND RELEVANT ENTITY

A. Defendants

9. Geotec, formerly known as Geotec Thermal Generators, Inc., is a Florida corporation with its corporate offices located in Delray Beach, Florida. Geotec is in the business of acquiring coal, above ground coal mines, and technology to produce synthetic fuels from coal. Geotec's common stock has been registered with the Commission since 1999 and is quoted on the Pink Sheets (symbol "GETC").

10. Lueck, 59, resides in Parkland, Florida. Lueck was Geotec's president, CEO and CFO from October 2004 through May 2005, when he resigned. After his resignation, Lueck continued his employment with Geotec and worked on projects under Ray's direction until at least June 2006.

11. Ray, 58, resides in West Palm Beach, Florida. Ray became Geotec's executive vice president for corporate development in March 2005, and chairman in April 2005. He has been the company's CEO since May 2005.

12. Chanslor, 59, resides in Weatherford, Texas. Chanslor has been Geotec's CFO since April 2005. He was licensed as a certified public accountant in Texas until his license

expired in June 1996. The Texas State Board of Public Accountancy suspended Chanslor's license in January 1997, and in January 2000, his license was statutorily revoked.

B. Relevant Entity

13. Consolidated Resources Group, Inc. an artificial flower manufacturer and seller, is a Florida corporation with its office in West Palm Beach, Florida. Consolidated's common stock has been registered with the Commission pursuant to Section 12(g) of the Exchange Act since 2000. Its stock was quoted on the Over-The-Counter Bulletin Board (symbol "CSRZ") from April 2000 until at least October 21, 2002, and was quoted on the Pink Sheets (symbol "CSRZ") from at least October 21, 2002 until November 5, 2008.

III. JURISDICTION AND VENUE

14. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e) and 78aa.

15. This Court has personal jurisdiction over the Defendants, and venue is proper in the Southern District of Florida, because many of the Defendants' acts and transactions constituting violations of the Exchange Act occurred in the Southern District of Florida. Geotec's principal office is located in Delray Beach, Florida, within the Southern District of Florida. Ray and Lueck reside in the Southern District of Florida.

16. In connection with the conduct alleged in this Complaint, the Defendants, directly or indirectly, singly or in concert with others, made use of the means and instrumentalities of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

IV. THE FRAUDULENT SCHEMES

A. Fraudulent Issuance of Shares

17. In early October 2004, the FBI confidential informant contacted Lueck and said he knew registered representatives who would promote Geotec's stock in exchange for receiving shares of the company's stock.

18. Lueck arranged for Geotec to issue 100,000 shares of its stock to the informant, who, in turn, would transfer them to the registered representatives to tout Geotec's stock. Lueck then suggested creating a bogus employment agreement to conceal the payments.

19. On December 2, 2004, Lueck signed a Geotec Board of Directors resolution to issue 100,000 shares of stock to the informant. That same month, Lueck directed Geotec's transfer agent to issue these shares to the informant.

20. On April 15, 2005, Geotec filed its Form 10-KSB ("Annual Report") with the Commission for year end 2004. Lueck signed the Annual Report as Geotec's CEO and CFO, certifying the report contained no omissions or untrue statements of material fact. However, Lueck knew the report falsely stated that Geotec issued 100,000 shares to a Geotec employee, and did not disclose the company had issued these shares to facilitate payments to registered representatives to promote Geotec's stock.

B. SUBSTANTIVE HEADING

1. Geotec's Coal Transactions

21. In August 2003, an Illinois State Court appointed the Illinois Department of Natural Resources as receiver over the Fiatt Coal Mine, 14221 East Arrow Road, Cuba, Illinois, due to environmental hazards. The mine contained coal residue from prior mining activity that could not be accessed or removed unless Illinois lifted the receivership.

22. To lift the receivership, an applicant had to secure Illinois state approval for a permit and, if granted, post a reclamation bond equal to the cost of repairing the portion of the coal site the applicant intended to access. The applicant also had to post a second bond equal to the cost of repairing the remainder of the site, which was an estimated \$12 million to \$15 million.

23. From February 2005 until September 2005, Geotec entered into four transactions for coal located at the Fiatt Coal Mine.

24. In February 2005, Geotec paid Deerfield Enterprises, Inc. 172 million shares of Geotec common stock for 700,000 tons of coal located at the Fiatt Coal Mine. On March 14, 2005, Geotec paid Consolidated 21 million shares of Geotec for an additional 3 million tons of coal located at the Fiatt Coal Mine. On March 15, 2005, Geotec paid Consolidated 10,000 shares of Geotec preferred stock in exchange for 45,759,562 shares of Consolidated common stock and 13,503,413 shares of Consolidated preferred stock, which Geotec claimed resulted in it acquiring Consolidated's ownership interest in 1 million tons of coal at the Fiatt Coal Mine. Lueck and Ray negotiated all three of these February and March 2005 coal transactions.

25. On September 30, 2005, Geotec entered into an agreement with Urban Television Network Corporation, a broadcast television network, to sell 200,000 tons of the Fiatt Coal Mine coal to Urban in exchange for 10,000 preferred shares of Urban's stock, valued in the agreement at \$4.6 million. Urban was required to provide financing to Geotec for the costs of processing the coal subject to this agreement. As of December 31, 2005, Urban had failed to provide this financing, and therefore the coal was not processed and Geotec did not receive 10,000 preferred shares of Urban's stock. Ray negotiated this transaction and signed the agreement with Urban on behalf of Geotec.

26. At no point did Geotec or Consolidated obtain a reclamation permit or other permit required to access the coal, or post the bond required to repair the Fiatt Coal Mine site.

2. Geotec's False And Misleading Filings With The Commission

27. Between February 28, 2005 and November 21, 2005, Geotec filed a series of reports with the Commission that announced its acquisition of coal in the February and March 2005 transactions.

28. On February 28, 2005, Geotec filed a Form 8-K with the Commission. Lueck signed this filing as Geotec's CEO. This filing was false and misleading because it: (a) stated that Deerfield had transferred 700,000 tons of coal to Geotec, when, in fact, Geotec had only acquired the rights to the coal and did not have dominion over it; (b) failed to disclose that the coal was subject to a receivership; and (c) falsely stated that Consolidated had obtained a reclamation permit for the coal.

29. On March 18, 2005, Geotec filed a Form 8-K with the Commission. Lueck signed this filing as Geotec's CEO. This filing was false and misleading because it: (a) stated that Geotec acquired 3 million tons of coal, when, in fact, it had only acquired the rights to the coal and did not have dominion over the coal; (b) failed to disclose that the coal was subject to a receivership; and (c) failed to disclose the permit and bond requirements for accessing the coal.

30. On March 23, 2005, Geotec filed a Form 8-K with the Commission. Lueck signed this filing as Geotec's CEO. This filing announced that Geotec had acquired equity ownership control over Consolidated and ownership rights to an additional 1 million tons of Consolidated's coal. This filing was false and misleading because it failed to disclose: (a) that the coal was subject to a receivership; (b) Consolidated and Geotec lacked dominion over the coal; and (c) the permit and bond requirements for accessing the coal.

31. On April 15, 2005, Geotec filed an Annual Report for the year 2004 ("2004 Annual Report"). This filing stated: (a) Deerfield had transferred 700,000 tons of coal to Geotec as a result of the February 2005 coal transaction; (b) Geotec had acquired 3 million tons of coal as a result of the March 14, 2005 coal transaction; and (c) Consolidated had obtained a reclamation permit for the coal.

32. Lueck signed the 2004 Annual Report as Geotec's CEO and Ray signed it as Chairman and certified the report contained no omissions or untrue statements of material fact. However, the report was false and misleading because, among other things, it: (a) stated Geotec acquired or received the coal, when, in fact, it had only acquired the rights to the coal and had no dominion over it; (b) failed to disclose that the coal was subject to a receivership; and (c) falsely stated that Consolidated had obtained a reclamation permit for the coal.

33. On May 13, 2005, Geotec filed a Form 10-QSB ("Quarterly Report") for the quarter ended March 31, 2005. On August 22, 2005, Geotec filed a Form 10-QSB for the quarter ended June 30, 2005. These Quarterly Reports both: (a) stated Deerfield had transferred 700,000 tons of coal to Geotec as a result of the February 2005 coal transaction; (b) stated Geotec had acquired 3 million tons of coal as a result of the March 14, 2005 coal transaction; (c) stated Geotec had acquired ownership rights to Consolidated's 1 million tons of coal at the Fiatt Coal Mine; (d) recorded 4.8 million tons of the coal as inventory-finished goods valued at \$18.9 million; and (e) stated that Consolidated had obtained a reclamation permit for the coal.

34. Chanslor signed the Form 10-QSB for the quarter ended March 31, 2005, as Geotec's CFO. Ray, as Geotec's Principal Executive Officer, and Chanslor, as Geotec's CFO, both certified that this report contained no omissions or untrue statements of material fact. Chanslor signed the Form 10-QSB for the quarter ended June 30, 2005 and certified that this

report contained no omissions or untrue statements of material fact. However, the March 31, 2005 and June 30, 2005 Quarterly Reports were false and misleading because they: (a) stated that Geotec acquired the coal, when, in fact, it had no dominion over the coal; (b) failed to disclose that the coal was subject to a receivership; (c) falsely stated that Consolidated had obtained a reclamation permit for the coal; and (d) reported the coal as inventory in violation of the Generally Accepted Accounting Principles (“GAAP”).

35. In order to record goods as inventory, GAAP requires the tangible personal property: (1) is held for sale in the ordinary course of business; (2) is in the process of production for such sale; or (3) is to be currently consumed in the production of goods or services to be available for sale. When Geotec filed the May 13, 2005 Quarterly Report, the coal it recorded as inventory was inaccessible due to the Illinois State receivership and the lack of any permit or bond required to access the coal. Therefore, the coal was not for sale, in the process of production for sale, or consumed in the production of goods or services to be available for sale.

36. Finally, on November 21, 2005, Geotec filed a Form 10-QSB for the quarter ended September 30, 2005. This Quarterly Report: (a) stated Deerfield had transferred 700,000 tons of coal to Geotec as a result of the February 2005 coal transaction; (b) stated Geotec had acquired 3 million tons of coal as a result of the March 14, 2005 coal transaction; (c) stated Geotec had acquired ownership rights to Consolidated’s 1 million tons of coal at the Fiatt Coal Mine; (d) recorded 4.8 million tons of the coal as inventory-finished goods valued at \$18.1 million; (e) stated Consolidated had obtained a reclamation permit for the coal; (f) announced that Geotec had sold 200,000 tons of coal in exchange for preferred stock shares of Urban stock valued at \$4.6 million; and (g) and recorded \$4.6 million in revenue from the sale of coal.

37. Ray signed the Form 10-QSB for the quarter ended September 30, 2005 as Geotec's CEO and certified it contained no omissions or untrue statements of material fact. However, the report was false and misleading because it: (a) stated that Geotec acquired the coal, when, in fact, it had only acquired the rights to the coal and had no dominion over the coal; (b) failed to disclose that the coal was subject to a receivership; (c) falsely stated that Consolidated had obtained a reclamation permit for the coal; (d) reported the coal as inventory valued at \$18.1 million, in violation of GAAP because the coal could not be used or sold due to the lack of any permit and bond required to access the coal; (e) falsely stated that it sold coal to Urban when, in truth, Geotec never delivered coal to Urban and the transaction was never completed; (f) reported revenue from the September 30, 2005 coal transaction without disclosing that the transaction was contingent on Urban providing Geotec with financing for the cost of processing the coal; and (g) recorded \$4.6 million from the sale of coal to Urban when, in fact, it should not have reported revenue from this sale because the transaction was never completed.

38. When Lueck signed Geotec's Form 8-K filings between February 28, 2005 and March 23, 2005, and the 2004 Annual Report, he knew or was extremely reckless in not knowing Geotec did not have dominion over the coal, and Consolidated did not have a permit for the coal. Lueck negotiated the February and March 2005 coal transactions that Geotec announced in the February and March 2005 Form 8-K filings, and he was Geotec's CEO when these transactions were negotiated and executed, and when Geotec filed these Forms 8-K and 2004 Annual Report.

39. When Ray certified Geotec's Form 10-QSB for quarter ended March 31, 2005, signed and certified the Form 10-QSB for quarter ended September 30, 2005, and signed the 2004 Annual Report, he knew or was extremely reckless in not knowing, that the Fiatt Coal Mine coal was subject to a receivership, Geotec did not have dominion over the coal, Consolidated did

not have a permit for the coal, and that Geotec had not received \$4.6 million of Urban preferred stock. Ray negotiated the February, March, and September 2005 coal transactions that Geotec announced and reported in the Form 10-QSB filings for quarters ended March 31, 2005 and September 30, 2005, and the 2004 Annual Report.

40. When Chanslor signed and certified Geotec's Forms 10-QSB for quarter ended March 31, 2005 and for quarter ended June 30, 2005, he knew or was extremely reckless in not knowing, that Geotec did not have dominion over the coal and Consolidated did not have a permit for the coal. When Chanslor began working at Geotec in April 2005, he learned that neither Consolidated nor Geotec had obtained the permits required to access the coal.

41. On December 29, 2006, Geotec filed Form 10-KSB for year ended December 31, 2005. In this filing, Geotec stated that the February and March 2005 coal transactions had been rescinded, thereby removing Geotec's single largest asset from its financial statements. Geotec also disclosed that it had acquired ownership rights to unprocessed coal in the February 2005 transaction. In addition, the filing disclosed for the first time that Geotec's agreement with Urban was contingent upon Urban providing financing for the costs of processing the coal, Urban had not provided these funds to Geotec, and no processing of coal or sale of coal had taken place. The filing disclosed that Geotec's September 2005 sale of coal to Urban has therefore not been recognized in the financial statements as of December 31, 2005.

42. On June 6, 2007, Geotec filed a Form 10-QSB for the quarter ended March 31, 2006, and on August 2, 2007, Geotec filed its Form 10-QSB for the quarter ended June 30, 2006. These filings restated Geotec's financial statements in its March 31, 2005 and June 30, 2005 Quarterly Reports to remove the coal as inventory, thereby restating its inventory from \$18,960,000 to zero.

43. On September 13, 2007, Geotec filed its Form 10-QSB for the quarter ended September 30, 2006. This filing restated Geotec's financial statement in its September 30, 2005 Quarterly Report to remove the coal as inventory, thereby restating its inventory from \$18,170,000 to zero, and to remove the \$4.6 million revenue from its purported sale of coal to Urban.

3. Geotec Failed to Have Its 2005 Quarterly Filings Reviewed by an Independent Accountant And Failed To Provide The Required Signatures

44. An independent accountant did not review Geotec's 2005 Quarterly Reports. Chanslor knew Geotec needed an independent accountant to review its quarterly financial statements, and discussed with Ray Geotec's financial inability to hire an independent accountant. The two decided to file Geotec's Quarterly Reports without the required review by an independent accountant.

45. Geotec also failed to provide the required signature and certification by the principal financial or chief accounting officer for its Quarterly Report for the period ending September 30, 2005.

V. CLAIMS FOR RELIEF

COUNT I

DEFENDANTS GEOTEC, LUECK, RAY, AND CHANSLOR VIOLATED SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER

46. The Commission repeats and realleges paragraphs 1 through 45 of its complaint.

47. The Defendants directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities, as described herein, knowingly, willfully, or recklessly: (i) employed devices, schemes or artifices

to defraud; (ii) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (iii) engaged in acts, practices and courses of business which have operated, are now operating and will continue to operate as a fraud upon the purchasers of such securities.

48. By reason of the foregoing, the Defendants directly and indirectly violated, and unless enjoined, are reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

COUNT II

GEOTEC VIOLATED SECTION 13(a) AND RULES 12b-11, 12b-20, 13a-1, 13a-11, and 13a-13 OF THE EXCHANGE ACT

49. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

50. Geotec failed to file accurate current and periodic reports with the Commission containing required material information and failed to add additional material information necessary to make the required current and periodic reports or statements, in light of the circumstances under which they were made, not misleading. Geotec's Forms 8-K dated February 28, 2005, March 18, 2005, and March 23, 2005; Form 10-KSB dated April 15, 2005; and Forms 10-QSB for the quarters ended March 31, 2005, June 30, 2005, and September 30, 2005 all stated that Geotec had acquired coal, and failed to disclose that the coal was subject to a receivership and Geotec had no dominion over the coal.

51. Geotec's Form 8-K dated February 28, 2005 and Forms 10-QSB for the quarters ended March 31, 2005, June 30, 2005, and September 30, 2005 also falsely stated that Consolidated had obtained a reclamation permit for the coal

52. Geotec's Form 10-KSB dated April 15, 2005 also falsely stated that Geotec had issued 100,000 shares to a Geotec employee, when, in truth, Geotec had issued the shares to a non-employee as part of a scheme to pay registered representatives to promote Geotec's stock.

53. Geotec's Forms 10-QSB for the quarters ended March 31, 2005, June 30, 2005, and September 30, 2005 also falsely reported the coal as inventory valued at approximately \$18 million.

54. Geotec's Form 10-QSB for the quarter ended September 30, 2005 also falsely recognized \$4.6 million from the sale of coal and was not signed by the principal financial or chief accounting officer.

55. By reason of the foregoing, Defendant Geotec violated, and unless enjoined, is reasonably likely to continue to violate, Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-11, 12b-20, 13a-1, 13a-11 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13.

COUNT III

GEOTEC VIOLATED SECTIONS 13(b)(2)(A) and 13(b)(2)(B) OF THE EXCHANGE ACT

56. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

57. Defendant Geotec failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions of the issuer; by failing to devise and maintain a system of internal accounting controls sufficient to reasonably assure that transactions were recorded and financial statements were prepared in conformity with GAAP; and by filing with the Commission materially false and misleading financial and informational statements.

58. By reason of the foregoing, Defendant Geotec violated, and unless enjoined, is reasonably likely to continue to violate, Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m.

COUNT IV

**LUECK, RAY, AND CHANSLOR VIOLATED SECTION 13(b)(5)
OF THE EXCHANGE ACT**

59. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

60. Defendants Lueck, Ray, and Chanslor knowingly circumvented or failed to implement a system of internal accounting controls or falsified books, records or accounts as described in Section 13(b)(2) of the Exchange Act.

61. By reason of the foregoing, Defendants Lueck, Ray and Chanslor directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5).

COUNT V

LUECK, RAY, AND CHANSLOR VIOLATED RULE 13b2-1 OF THE EXCHANGE ACT

62. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

63. Defendants Lueck, Ray and Chanslor directly or indirectly, falsified or caused to be falsified books, records or accounts subject to Section 13(b)(2) of the Exchange Act.

64. By reason of the foregoing, Defendants Lueck, Ray and Chanslor directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Rule 13b2-1 of the Exchange Act, 17 C.F.R. § 240.13b2-1.

COUNT VI

LUECK, RAY, AND CHANSLOR VIOLATED RULE 13a-14 OF THE EXCHANGE ACT

65. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

66. Lueck, Ray, and Chanslor certified Geotec's periodic and current reports that Geotec filed with the Commission that contained materially false and misleading statements and omissions.

67. Lueck certified Geotec's 2004 Annual Report, which was false and misleading because it: (a) stated Geotec acquired or received the coal, when, in fact, it had only acquired the rights to the coal and had no dominion over it; (b) failed to disclose that the coal was subject to a receivership; (c) falsely stated that Consolidated had obtained a reclamation permit for the coal; and (d) stated that Geotec had issued 100,000 shares to an employee, when, in truth, Geotec did not issue them to an employee and the issuance was part of a scheme to pay incentives to brokers to tout Geotec's stock.

68. Ray and Chanslor certified Geotec's Quarterly Report for the quarter ended March 31, 2005, and Chanslor certified Geotec's Quarterly Report for the quarter ended June 30, 2005. These filings were false and misleading because they: (a) stated that Geotec acquired the coal, when, in fact, it had no dominion over the coal; (b) failed to disclose that the coal was subject to a receivership; (c) falsely stated that Consolidated had obtained a reclamation permit for the coal; and (d) reported the coal as inventory in violation of GAAP since the coal was not for sale, was not in the process of production for sale, could not be accessed at that time, and was not consumed in the production of goods or services to be available for sale.

69. Ray certified Geotec's Quarterly Report for the quarter ended September 30, 2005, which was false and misleading because it: (a) stated that Geotec acquired the coal, when, in fact, it had only acquired the rights to the coal and had no dominion over the coal; (b) failed to disclose that the coal was subject to a receivership; (c) falsely stated that Consolidated had obtained a reclamation permit for the coal; (d) reported the coal as inventory valued at \$18.9

million in violation of GAAP, when in fact the coal could not be used or sold because it was inaccessible due to the lack of any permit and bond required to access the coal; (e) falsely stated that it sold coal to Urban when, in truth, Geotec never delivered coal to Urban and the transaction was never completed; (f) reported revenue from the September 30, 2005 coal transaction without disclosing that the transaction was contingent on Urban providing Geotec with financing for the cost of processing the coal; and (g) recorded \$4.6 million from the sale of coal to Urban when, in fact, it should not have reported revenue from this sale because the transaction was never completed.

70. By falsely certifying that Geotec's filings with the Commission contained no material misrepresentations or omissions, Defendants Lueck, Ray and Chanslor violated, and, unless enjoined, are reasonably likely to continue to violate Rule 13a-14 of the Exchange Act, 17 C.F.R. § 240.13a-14.

COUNT VII

LUECK, RAY, AND CHANSLOR AIDED AND ABETTED GEOTEC'S VIOLATIONS OF SECTION 13(a) AND RULE 12b-20 OF THE EXCHANGE ACT

71. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

72. Lueck, Ray, and Chanslor knowingly or recklessly substantially assisted Geotec's violations of Section 13(a) and Rule 12b-20 of the Exchange Act by signing and certifying Geotec's false and misleading reports.

73. By reason of the foregoing, Lueck, Ray and Chanslor aided and abetted Geotec's violations of Section 13(a) and Rule 12b-20 of the Exchange Act, 15 U.S.C. § 78m(a) and 17 C.F.R. § 240.12b-20, and, unless enjoined, are reasonably likely to continue to aid and abet violations of Section 13(a) and Rule 12b-20 of the Exchange Act, 15 U.S.C. § 78m(a) and 17 C.F.R. § 240.12b-20.

COUNT VIII

**LUECK AND RAY AIDED AND ABETTED GEOTEC'S VIOLATION
OF RULE 13a-1 OF THE EXCHANGE ACT**

74. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

75. Lueck and Ray knowingly or recklessly substantially assisted Geotec's violations of Section 13(a) and Rule 12b-20 of the Exchange Act by filing or causing to be filed with the Commission materially false and misleading financial and other statements in connection with Geotec's 2004 Form 10-KSB.

76. By reason of the foregoing, Lueck and Ray aided and abetted Geotec's violations of Rule 13a-1 of the Exchange Act, 17 C.F.R. § 240.13a-1, and, unless enjoined, are reasonably likely to continue to aid and abet violations of Rule 13a-1 of the Exchange Act, 17 C.F.R. § 240.13a-1.

COUNT IX

**LUECK AIDED AND ABETTED GEOTEC'S VIOLATION
OF RULE 13a-11 OF THE EXCHANGE ACT**

77. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

78. Lueck knowingly or recklessly substantially assisted Geotec's violations of Rule 13a-11 of the Exchange Act by filing or causing to be filed with the Commission materially false and misleading financial and other statements in connection with Geotec's Forms 8-K dated February 28, 2005, March 18, 2004, and March 23, 2005.

79. By reason of the foregoing, Lueck aided and abetted Geotec's violations of Rule 13a-11 of the Exchange Act, 17 C.F.R. § 240.13a-11, and, unless enjoined, are reasonably likely to continue to aid and abet violations of 13a-11 of the Exchange Act, 17 C.F.R. § 240.13a-11.

COUNT X

**RAY AND CHANSLOR AIDED AND ABETTED GEOTEC'S VIOLATIONS
OF RULE 13a-13 OF THE EXCHANGE ACT**

80. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

81. Ray and Chanslor knowingly or recklessly substantially assisted Geotec's violations of Rule 13a-13 of the Exchange Act by filing or causing to be filed with the Commission materially false and misleading financial and informational statements in connection with Geotec's Forms 10-QSB for the quarters ending March 31, 2005, June 30, 2005, and September 30, 2005.

82. By reason of the foregoing, Ray and Chanslor aided and abetted Geotec's violations, and unless enjoined, are reasonably likely to continue to aid and abet violations of Rule 13a-13 of the Exchange Act, 17 C.F.R. § 240.13a-13.

COUNT XI

**LUECK, RAY, AND CHANSLOR AIDED AND ABETTED GEOTEC'S VIOLATIONS
OF SECTIONS 13(b)(2)(A) AND 13(b)(2)(B) OF THE EXCHANGE ACT**

83. The Commission repeats and realleges Paragraphs 1 through 45 of its complaint.

84. Lueck, Ray, and Chanslor knowingly or recklessly substantially assisted Geotec's violations of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act by providing substantial assistance to Geotec, which failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions of the issuer; and failed to devise and maintain a system of internal accounting controls sufficient to reasonably assure that transactions were recorded and financial statements were prepared in conformity to GAAP.

85. By reason of the foregoing, Lueck, Ray and Chanslor aided and abetted Geotec's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m, and

unless enjoined, are reasonably likely to continue to aid and abet violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m.

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine and find the Defendants committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

86. Issue a Permanent Injunction, restraining and enjoining:
- a. The Defendants from violating Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5;
 - b. Geotec from violating Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) and Rules 12b-11, 12b-20, 13a-1, 13a-11, and 13a-13 of the Exchange Act, 15 U.S.C. §§ 78m and 78m(a), and 17 C.F.R. §§ 240.12b-11, 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13;
 - c. Lueck, Ray, and Chanslor from violating Section 13(b)(5), and Rules 13a-14 and 13b2-1 of the Exchange Act, 15 U.S.C. § 78m(b)(5) and 17 C.F.R. § 240.13a-14 and 240.13b2-1, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) and Rule 12b-20 of the Exchange Act, 15 U.S.C. §§ 78m and 78m(a) and 17 C.F.R. § 240.12b-20;
 - d. Lueck and Ray from aiding and abetting violations of Rule 13a-1 of the Exchange Act, 17 C.F.R. § 240.13a-1;

e. Lueck from aiding and abetting violations of Rule 13a-11 of the Exchange Act, 17 C.F.R. § 240.13a-11; and

f. Ray and Chanslor from aiding and abetting violations of Rule 13a-13 of the Exchange Act, 17 C.F.R. § 240.13a-13.

III.

Civil Money Penalties

Issue an Order directing Defendants Lueck, Ray and Chanslor to pay civil money penalties pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

IV.

Officer and Director Bars

Issue an Order pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), prohibiting Lueck, Ray and Chanslor from acting as officers and directors of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

V.

Further Relief

Grant such other and further relief as may be necessary and appropriate.

VI.

Retention of Jurisdiction

Further, the Commission respectfully requests the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully submitted,

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