

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 65357 / September 20, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14554

In the Matter of

Justin William Rifkin,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Justin William Rifkin (“Rifkin” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Rifkin, age 31, resides in Corpus Christi, Texas. From May 2007 through June 2009, Rifkin was the managing member and owner of Wellco Energy L.L.C. (“Wellco”) which he operated in Colorado Springs, Colorado. He and other salesmen under his direction offered and sold securities in the form of fractional undivided interests in oil and gas rights in four projects operated by another Colorado company. He was engaged in the business of effecting transactions in securities for the account of others for which he received compensation. However,

from May 2007 through June 2009, Rifkin was not registered with the Commission as a broker or dealer, and was not associated with a broker or dealer registered with the Commission.

B. ENTRY OF INJUNCTION

2. On August 31, 2011, a final judgment was entered against Rifkin permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Wellco Energy L.L.C., et al., Civil Action Number 1:09-CV-1114, in the United States District Court for the District of Colorado.

3. The Commission's complaint alleged that in connection with sale of fractional undivided interests in oil and gas rights, Rifkin misrepresented that Wellco was the operator of the four oil and gas projects. The complaint also alleged that Wellco did not operate the projects and instead purchased fractional undivided interests from another company, which interests it further divided and resold to investors. The complaint further alleged that Rifkin misrepresented that he had extensive experience in operating oil and gas prospects. The complaint also alleged that in fact, Rifkin's experience was limited to raising money through sales of other oil and gas projects, and he had no experience operating oil and gas wells. The complaint further alleged that he also misrepresented the use of investors' funds and did not disclose that he used approximately 42% of investors' funds to acquire the working interests in the oil and gas wells, but spent the rest on sales commissions and business expenses or for his personal expenses. The complaint also alleged that Rifkin sold the securities when no registration statement was in effect or filed with the Commission. The complaint also alleged Rifkin was not registered as a broker or dealer, and was not associated with a broker or dealer registered with the Commission during the time when he offered and sold the securities at issue in the case.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary