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## ARKANSAS SECURITIES DEPARTMENT

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### FOR IMMEDIATE RELEASE

Date: December 13, 2012

Contact Person: Theodore Holder, 501-324-8678

#### **ARKANSAS SECURITIES COMMISSIONER ISSUES CEASE AND DESIST ORDER STOPPING SALES OF UNREGISTERED UNITS OF JOINT VENTURES**

Arkansas Securities Commissioner A. Heath Abshure (Commissioner) issued a cease and desist order today against **Dunwell Corporation and Preston Energy, Inc.**, both Texas corporations located in Dallas, Texas. The Commissioner found that the respondents offered one Arkansas resident units in two joint ventures by unsolicited email. Both joint ventures were related to oil and gas production in the Hull Oilfield in Liberty County, Texas.

Forty units of the Hull Gas Gas Gathering System (HGGS) were offered at \$15,000 per unit. The stated business of the HGGS was to transport natural gas from the well to a larger pipeline in the Hull Oilfield. The investment was promised to be 80% tax deductible in the first year and have a potential return of more than 40% annually. HGGS was characterized as a low risk investment. Fifteen units of the a joint venture entitled Hull Sterling Well No. 1 (HS Well) were offered for a total of \$82,500 each, \$49,500 for drilling and testing and \$33,000 for completion. Potential returns on this joint venture oil well drilling project of over 100% were promised, and it was characterized as a moderate risk investment.

Units in both joint ventures were found to be securities, and both were found to have not been registered with the Arkansas Securities Department or exempt from registration. The respondents were ordered to cease all further actions in Arkansas in connection with the offer or sale of securities unless and until the securities in question are properly registered or exempt from registration.

The Staff of the Arkansas Securities Department is directed to continue its investigation into the Respondents and any associated or affiliated persons or entities that are presently unknown to determine what, if any, other violations of the Act or Rules of the Arkansas Securities Commissioner have occurred.

The public is advised that this is a continuing investigation. Should anyone have any further information about either of these respondents or any other related matter, please call Ted Holder at 501-324-8678 or at the 1-800 hotline number printed below. Copies of the order can be obtained at the Arkansas Securities Department's website, listed below. Order No. S-12-0104-12-OR02, *In the Matter of Dunwell Corporation and Preston Energy, Inc.*