

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

Case No. 01-168-S

Order No. 01-168-S-10-OR02

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ARKANSAS SECURITIES DE

IN THE MATTER OF
REX ROBERTSON

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101, *et seq.* (Repl. 2000), (Act), the Rules of the Arkansas Securities Commissioner promulgated under the Act (Rules) and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201, *et seq.* (Repl. 2002) in accordance with an agreement by and between the Staff of the Arkansas Securities Department (Staff) and Rex Robertson, in full settlement of all claims that could be brought against Robertson by the Staff.

Robertson admits the jurisdiction of the Act and the Arkansas Securities Commissioner (Commissioner), waives his right to a formal hearing and agrees to the entry of this Order and agrees to abide by its terms.

FINDINGS OF FACT

1. Clean Technology International Corporation (CTIC) is a corporation organized and existing under the laws of Nevada, with its principal place of business located at 72 Shoshoni Drive, Sherwood, Arkansas 72120.
2. William Darrell Lainhart (D. Lainhart) and Irene M.F. Lainhart (I. Lainhart), through Diamond Capital Corporation (DCC), an Arkansas corporation wholly owned by I. Lainhart and controlled by D. Lainhart, were part owners of CTIC from its incorporation. D. Lainhart

and I. Lainhart became the majority owner of CTIC through DCC in June 1998, after the settlement of a lawsuit filed against former management and another part owner of CTIC.

3. Robertson purchased shares of CTIC common stock beginning in July 1998 and continuing through July 2007.
4. CTIC stock was never registered in accordance with the Act or exempt from registration.
5. Being enthusiastic about CTIC, Robertson repeated to others what D. Lainhart had told him about CTIC and its technology. Robertson sold or facilitated the sale of CTIC stock in the following ways:
 - a. Robertson would accept checks written to CTIC or DCC and forward the checks on to CTIC or DCC for the purchase of CTIC shares directly from CTIC or CTIC shares that had been issued to DCC.
 - b. Robertson would accept checks written to him for CTIC shares of stock, deposit the checks in his checking account and then write a check to CTIC or DCC for the purchase of shares of CTIC stock either directly from CTIC, or from DCC.
 - c. Robertson would accept checks from purchasers written to him, and he would in return sell them shares of his CTIC stock by executing a stock power allowing the purchaser to exchange the stock certificates of CTIC stock that had been issued to Robertson for CTIC stock certificates issued to the purchasers.
 - d. Robertson would put prospective purchasers in contact with D. Lainhart.
6. Robertson was never registered in any capacity pursuant to the Act.
7. Robertson never sat on the board of CTIC and never served as any kind of executive officer of employee of CTIC.

8. Robertson was not paid commissions or any other remuneration for facilitating or making sales of CTIC stock.

APPLICABLE LAW

9. Ark. Code Ann. § 23-42-102(15)(A)(ii) defines a security as any stock.

10. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act or federal law.

11. Ark. Code Ann. § 23-42-102(9) defines issuer as any person who issues any security.

12. Ark. Code Ann. § 23-42-102(1)(A), as it applies to the facts of this case, defines agent as any individual who represents an issuer in effecting or attempting to effect purchases or sales of securities.

13. Ark. Code Ann. § 23-42-301(a) provides that it is unlawful for any person to transact business in this state as an agent of an issuer of securities unless he is registered as such pursuant to the Act.

CONCLUSIONS OF LAW

14. The CTIC stock discussed herein was a security as defined in the Act at Ark. Code Ann. § 23-42-102(15)(A)(ii).

15. A search of the records of the Arkansas Securities Department (Department) reveals neither a registration for CTIC stock, nor a proof of exemption for it. Further, the records of the Department do not contain a notice filing pursuant to Ark. Code Ann. § 23-42-509, which is necessary in the case of covered securities under federal law.

16. The facts set out above in ¶¶ 1-6 show that Robertson offered and sold unregistered securities in violation of Ark. Code Ann. § 23-42-501.

17. The facts set out above in ¶¶ 1-6 show that Robertson represented the issuer of the securities involved herein, CITC, in effecting or attempting to effect purchases or sales of CTIC stock. As noted earlier in ¶ 7, Robertson was not registered in accordance with the Act as an agent of CTIC, the issuer of the securities involved herein. Therefore, he acted as an unregistered agent of an issuer in violation of Ark. Code Ann. § 23-42-301(a).

UNDERTAKING

In settlement of this matter, Robertson, undertakes and agrees with the Staff that he :

1. Will not offer or sell securities unless those securities are registered in accordance with the Act, are exempt from the registration provisions of the Act or qualify as covered securities under federal law;
2. Will not represent any issuer of securities in effecting or attempting to effect the purchase or sale of the issuer's securities unless he is registered with the Department as an agent of the issuer; and
3. Upon execution of this order, the Staff will file a motion in *Abshire, Commisisoner, v. Clean Technology International Corporation, et al.*, No. CV2009-5346-6, now pending in the Circuit Court of Pulaski County, Arkansas, asking that Robertson be dismissed as a party defendant. However, Robertson agrees to cooperate fully in any action that the Staff might bring in connection with that investigation, including providing truthful testimony if needed and cooperating with the receiver appointed by

the court in that action.

OPINION

The facts set out in ¶¶ 1 through 9 support the conclusions of law set out in ¶¶ 15 through 18. Because it is beneficial to members of the public that those who represent any issuer of securities in effecting or attempting to effect the purchase or sale of the issuer's securities be registered with the Department as agents of the issuer, and because it is beneficial to members of the public that all securities sold be registered with the Department, exempt from the registration provisions of the Act or qualify as covered securities pursuant to federal law, this Consent Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that REX ROBERTSON, in accordance with the undertaking set out above, cease and desist all activities acting as an agent of an issuer unless and until he becomes registered with the Department and that he cease and desist from offering or selling any securities unless those securities are registered with the Department, exempt from the registration provisions of the Act or qualify as covered securities pursuant to federal law.

WITNESS MY HAND AND SEAL this 15th day of November, 2010.



A. Heath Abshure
Arkansas Securities Commissioner

CONSENT TO ENTRY OF ORDER

Rex Robertson hereby acknowledges that he has been served a copy of this Consent Order, has read the foregoing, is aware of his right to a hearing and appeal in this matter and has waived the same.

Dated this 11 day of November, 2010.



Rex Robertson



Kenneth I. Billingsley
Attorney for Rex Robertson

Signed this 11th day of November, 2010.