



Dora
Department of Regulatory Agencies

Division of Securities

NEWS RELEASE

For Immediate Release - January 14, 2010

**Contact: Fred Joseph, Securities Commissioner or Gerald Rome, Deputy
Securities Commissioner at (303) 894-2320**

PENNSYLVANIA OIL AND GAS COMPANY SANCTIONED BY SECURITIES COMMISSIONER

Denver, Colorado --- Colorado Securities Commissioner Fred Joseph announced today that he has entered a final cease and desist order against a Pennsylvania oil and gas company for allegedly violating the securities registration provisions of the Colorado Securities Act ("Act") in connection with the offer of securities in and from Colorado.

Named in the Order are **Northeastern Consolidated Energy Partners, Inc.**, its president, **Jon V. Malis**, and **Timothy D. Coleman**, all of Oil City, Pennsylvania.

The Staff of DORA's Division of Securities (the "Staff") alleges that in October of 2009, the Respondents attempted to sell investments in an oil and gas related venture in its Lehmann Drilling Program in Crawford County, PA., by cold calling at least one investor in Colorado. According to the Respondents' informational memorandum, they were attempting to raise \$645,000 to \$860,000 for the drilling of the "Lehman #4." Respondents were selling one unit for \$8,600.00. The Staff alleged that the offer of these joint venture interests in this oil and gas drilling program were securities, and they were not registered, or exempt from registration, in violation of the registration provisions of the Act.

The cease and desist order, which Northeastern, Malis and Coleman all agreed to, orders them to immediately and permanently cease and desist offering or selling any "security" in or from the State of Colorado in violation of the anti-fraud, registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act. The order was made final on January 14, 2010.

A copy of the Order can be found at:

<http://www.dora.state.co.us/securities/enforcement.htm#CeaseDesist>

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

