



Dora

Department of Regulatory Agencies

Division of Securities

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SECURITIES COMMISSIONER TAKES ENFORCEMENT ACTION AGAINST TEXAS OIL AND GAS COMPANY

Denver, Colorado --- Colorado Securities Commissioner Fred Joseph announced today that Denver District Court Judge Sheila Rappaport has entered a permanent injunction against a Texas oil and gas company for allegedly violating the securities registration and anti-fraud provisions of the Colorado Securities Act (“Act”) in connection with the offer of securities in and from Colorado.

Named in the court order are **Sethi Oil & Gas, Inc.**, and its founder and president, **Sameer P. Sethi**, both of Plano, Texas.

The Securities Commissioner alleged in his complaint that starting in June, 2009, Sameer Sethi and Sethi Oil & Gas, Inc., engaged in a persistent pattern of fraudulently offering to sell unregistered to Colorado investors. These attempts to sell unregistered oil and gas securities to Colorado investors continued, unabated, even after the Securities Commissioner issued an Order directing Sameer Sethi and Sethi Oil & Gas, Inc. to cease and desist from offering to sell and selling securities in Colorado. The complaint alleges that despite the fact that the cease and desist order issued by the Commissioner was for a previous offer of unregistered securities, the Defendants continued to attempt to sell unregistered securities to Colorado investors while now failing to disclose the fact that Sameer Sethi and Sethi Oil & Gas, Inc. were subject to a cease and desist order from the Commissioner. Moreover, the complaint alleged that the Defendants failed to disclose the nature of their compensation and that one of their sales agents had previously been convicted of felony arson.

The permanent injunction, which Sethi Oil & Gas and Sameer Sethi agreed to, orders them to stop offering or selling any “security” in or from 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.

“With the number of complaints we are receiving on oil and gas deals, investors need to be particularly cautious before investing in any oil and gas venture,” said Securities Commissioner Joseph. “Oil and gas ventures are very speculative and highly illiquid. And even where the underlying project is legitimate, any profits can vanish through high sales commissions and other expenses taken by the promoters,” said Joseph.

A copy of the court order can be found at:

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

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.

