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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of the State
of Washington by:

Sunrise Energy, Inc., Shea Silva; their employees and
agents

Respondents.

S-04-182-04-TO01

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**SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINE**

THE STATE OF WASHINGTON TO:

Sunrise Energy, Inc.
Shea Silva

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Sunrise Energy, Inc. and Shea Silva each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each of them to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. Respondents

1. Sunrise Energy, Inc. ("Sunrise"), a former Nevada Corporation, is in the business of offering working interests in Texas oil wells via telephone solicitations. Sunrise's last known addresses are 3972 Barranca Parkway, Suite J426, Irvine, California 92606, 2901 Warner Avenue, Santa Ana, California 92704, and 177 Riverside Avenue, #1035, Newport Beach, California 92663.

SUMMARY ORDER TO CEASE AND
DESIST

2. Shea C. Silva (“Silva”) is the President, Secretary and Treasurer of Sunrise.

II. Nature of the Offering

3. Beginning late 2001 and continuing through August 2003, Silva, through Sunrise, solicited investors via telephone to invest in Texas oil wells. Sunrise and Silva were able to raise at least \$365,000 from at least ten Washington residents as a result of the telemarketing campaign. Silva did not have an existing relationship with the investors prior to cold calling them regarding the investment opportunity. At least one or more of these investors was unsophisticated in the oil business, did not have the education, background or experience necessary in order to manage an oil well, and did not participate in the management of any oil wells.

4. Silva told investors that they were investing in such oil well leases as East Texas Woodbine Field Project #1, East Texas Woodbine Field Project #2, East Texas Woodbine Field Project #3, WP Moore, Barksdale, Escobas/Trevino, Brooks B, Siler 1, Siler 2 and Siler 3. Silva told investors that the wells were proven producers that would produce more oil and casing-gas with the replacement of the existing pump-jack with a submersible pump. Silva told investors that by putting in the submersible pump the manager of the well, Energy 2000, Inc. (“Energy 2000”), would be able to pump out oil that was not accessible with the current pump. According to the Sunrise Energy offering material provided to the investors by Silva, the investment was low risk because the wells were proven producers and still producing oil.

5. The following are financial projections in the Sunrise offering documents provided to investors by Silva for the first year of operations of the oil wells based upon different oil prices:

Oil Well Lease Name	Amount of Investment	Price Per Barrel	Annual Return (1 st yr)	Monthly Income (1 st yr)	Return on Invest (1 st yr)
Woodbine #1	\$11,000	\$25	\$6,048	\$504	55%
Woodbine #1	\$11,000	\$28	\$6,832	\$570	62%
Woodbine #2	\$20,000	\$25	\$12,818	\$1068	64%
Woodbine #2	\$20,000	\$28	\$14,385	\$1199	72%
Woodbine #3	\$40,000	\$25	\$37,734	\$3145	94%
Woodbine #3	\$40,000	\$28	\$42,434	\$3536	106%
Escobas/Trevino	\$40,000	\$22	\$31,670	\$2639	78%
Escobas/Trevino	\$40,000	\$30	\$44,755	\$3729	112%

1 6. Silva told investors that it was a “no lose” investment and that they would receive monthly payments
2 from the sale of oil. Investors initially did receive monthly payments, but the payments were not nearly the size that the
3 offering material or what Silva said they would receive. In some instances the investors made additional investments after
4 they received some monthly payments.

5 III. Misrepresentations and Omissions

6 7. The Respondents failed to provide investors with a disclosure document containing material
7 information about the investment opportunity described above, including but not limited to, a reasonable basis for the
8 financial projections supplied by Sunrise.

9 8. The offering material provided by Silva failed to provide financial statements for Sunrise Energy or
10 Energy 2000. Additionally, the offering material failed to disclose the use of investor funds or disclose the compensation
11 for Silva and Sunrise for soliciting investors. Silva also failed to disclose to investors the relationship between Sunrise
12 and Energy 2000. Silva told investors that Sunrise owned the entire wells that they were selling and that Sunrise had hired
13 Energy 2000 to manage the wells for Sunrise. In actuality, according to Energy 2000, Energy 2000 sold Sunrise a
14 working interest in wells owned by Energy 2000 and that Sunrise was reselling that interest.

15 IV. Registration Status

16 9. Sunrise Energy, Inc. is not currently registered to sell its securities in the state of Washington and has not
17 previously been so registered.

18 10. Silva is not currently registered as a securities salesperson or broker-dealer in the state of Washington and
19 has not previously been so registered.

20 Based on the foregoing Tentative Findings of Fact, the following Conclusions of Law are made.

21 **CONCLUSIONS OF LAW**

22 I. Securities

23 11. The offer and/or sale of the investment opportunities described above constitutes the offer and/or sale
24 of a security as defined in RCW 21.20.005 (10) and (12).

25 II. Anti-Fraud Provision

1 12. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as set forth in
2 the Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the statements
3 made, in the light of the circumstances under which they were made, not misleading.

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5 **III. Registration of Securities**

6 13. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the
7 Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of
8 Washington.

9 **IV. Registration of Broker-Dealer and Salespersons**

10 14. Respondent Shea C. Silva has violated RCW 21.20.040 by offering and/or selling said securities while
11 not being registered as a broker-dealer or securities salesperson in the state of Washington

12 **EMERGENCY**

13 The Securities Administration finds that an emergency exists and that the continued violations of RCW
14 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a Summary
15 Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing
16 public.

17 **SUMMARY ORDER**

18 Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents, Sunrise
19 Energy, Inc., Shea C. Silva, their agents, and employees shall each cease and desist from violating RCW 21.20.010, the
20 anti-fraud section of the Securities Act.

21 It is further SUMMARILY ORDERED that Respondents, Sunrise Energy, Inc., Shea C. Silva, their agents, and
22 employees shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities
23 Act.

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25 **SUMMARY ORDER TO CEASE AND
26 DESIST**

1 It is further SUMMARILY ORDERED that Respondents, Sunrise Energy, Inc., Shea C. Silva, their agents, and
2 employees shall each cease and desist from violating RCW 21.20.040, the securities broker-dealer, securities salesperson
3 registration section of the Securities Act.
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6 **NOTICE OF INTENT TO IMPOSE FINE**

7 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the
8 Securities Administrator finds that Respondents Sunrise Energy, Inc. and Shea C. Silva have committed a knowing or
9 reckless violation of the Securities Act such that the imposition of a fine is required. Therefore, the Securities
10 Administrator intends to order that the Respondents shall jointly and severally pay a fine in the amount of \$50,000.

11 **AUTHORITY AND PROCEDURE**

12 This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter
13 34.05 RCW. The Respondents, Sunrise Energy, Inc. and Shea C. Silva may each make a written request for a hearing as
14 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
15 Order. A request for a hearing should be in writing and sent to Michael E. Stevenson, Securities Administrator,
16 Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Tyler Letey.

17 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative
18 Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to that
19 Respondent.

20 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

21 DATED and ENTERED this 6th day of December 2004

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24 MICHAEL E. STEVENSON

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

26 SUMMARY ORDER TO CEASE AND
27 DESIST

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Securities Administrator

Approved by:

Presented by:



Martin Cordell
Chief of Enforcement

Tyler Letey
Financial Legal Examiner

SUMMARY ORDER TO CEASE AND
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