

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

IN THE MATTER OF DETERMINING ) Order No.: S-12-1066-15-CO01  
whether there has been a violation of the )  
Securities Act of Washington by: ) CONSENT ORDER AS TO  
)  
Stephen M. Thompson; Leland Energy, Inc.; ) KIRTAN KHALSA  
Mongolia Holdings, Inc. f/k/a Consolidation )  
Services, Inc.; Leland Kentucky Holdings, Inc.; )  
Leland Colorado Holdings, Inc.; Samson )  
Investment Group, LLC; Samson Energy Group, )  
LLC; Leland Tennessee Holdings, Inc.; The )  
Appalachian Drilling Fund II, LLP; The Knox )  
Drilling Fund, LLP; The Knox Drilling Fund II, )  
LLP; Green County Energy Fund, LLP; Rodgers )  
Production Revenue Fund, LLP; Block City )  
Drilling Fund, LLP; Energy Production Revenue )  
Fund, LLP; Production Revenue Drilling Fund, )  
LLP; Asset Management Drilling Fund, LLP; Weld )  
County Drilling Fund, LLP; Wattenberg Drilling )  
Fund, LLP; Wattenberg Drilling Fund II, LLP; )  
Greeley Wattenberg Drilling Fund, LLP; Samson )  
Wattenberg Drilling Fund, LLP; The Presidents )  
Fund, LLP; The Leland Energy Fund, LLP; The )  
Leland Energy Fund II, LLP; Joseph Finateri; Jerel )  
Richardson; Kirtan Khalsa; Clifford V. Aaron; )  
Ronelle Vallejo a/k/a Ron Vale; Rudolpho Gomez )  
a/k/a Rudy Gomez; Michael Forman; William )  
Marlin; and Elvis R. Mendes a/k/a Ron Mendes, )  
)  
Respondents. )  
)

**INTRODUCTION**

On April 20, 2015, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs (“Statement of Charges”), Order Number S-12-1066-13-SC01, against Respondents Stephen M. Thompson; Leland Energy, Inc.; Mongolia Holdings, Inc. f/k/a Consolidation Services, Inc.; Leland Kentucky Holdings, Inc.; Leland Colorado Holdings, Inc.; Samson Investment Group, LLC; Samson Energy Group, LLC; Leland Tennessee Holdings, Inc.; The Appalachian Drilling Fund II, LLP; The Knox Drilling Fund, LLP; The Knox Drilling Fund II, LLP; Green County Energy Fund, LLP; Rodgers Production Revenue Fund, LLP; Block City Drilling Fund, LLP; Energy Production Revenue Fund, LLP; Production Revenue Drilling Fund, LLP; Asset Management Drilling Fund, LLP; Weld County Drilling Fund, LLP; Wattenberg Drilling Fund, LLP;

CONSENT ORDER

1 Wattenberg Drilling Fund II, LLP; Greeley Wattenberg Drilling Fund, LLP; Samson Wattenberg Drilling Fund, LLP;  
2 The Presidents Fund, LLP; The Leland Energy Fund, LLP; The Leland Energy Fund II, LLP; Joseph Finateri; Jerel  
3 Richardson; Kirtan Khalsa; Michael Forman; Ronelle Vallejo a/k/a Ron Vale; Clifford V. Aaron; Rudolpho Gomez  
4 a/k/a Rudy Gomez; William Marlin; and Elvis R. Mendes a/k/a Ron Mendes.

5 Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent Kirtan  
6 Khalsa do hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges.  
7 Respondent Kirtan Khalsa neither admits nor denies the Findings of Fact and Conclusions of Law as set forth in the  
8 Statement of Charges, which are hereby incorporated by reference into this Consent Order.

9 **CONSENT ORDER**

10 Based upon the foregoing and finding it in the public interest:

11 IT IS AGREED AND ORDERED that Respondent Kirtan Khalsa and his agents and employees each shall  
12 cease and desist from violating RCW 21.20.140., the securities registration section of the Securities Act of  
13 Washington.

14 IT IS FURTHER AGREED AND ORDERED that Respondent Kirtan Khalsa and his agents and employees  
15 each shall cease and desist from violating RCW 21.20.010.

16 IT IS FURTHER AGREED AND ORDERED that Respondent Kirtan Khalsa and his agents and employees  
17 each shall cease and desist from violating RCW 21.20.040, the salesperson and broker-dealer registration section of  
18 the Securities Act of Washington.

19 IT IS FURTHER AGREED that, except in an action by the Securities Division of the Washington State  
20 Department of Financial Institutions to enforce the obligations of Respondent Kirtan Khalsa in this Consent Order,  
21 this Consent Order is not intended to be used as an admission of or evidence of any fault, omission or liability of  
22 Respondent Kirtan Khalsa in any civil, criminal, arbitration, or administrative proceeding.

23 IT IS FURTHER AGREED that, for any person or entity not a party to this Consent Order, this Consent  
24 Order is not intended to limit or create any private rights or remedies against, or limit or create defenses of  
25 Respondent Kirtan Khalsa.

IT IS FURTHER AGREED AND ORDERED that Respondent Kirtan Khalsa shall be liable for and shall pay  
a fine of \$1,000 prior to the entry of this Consent Order.

IT IS FURTHER AGREED AND ORDERED that Respondent Kirtan Khalsa shall be liable for and shall pay  
investigative costs of \$100 prior to the entry of this Consent Order.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

IT IS FURTHER AGREED that Respondent Kirtan Khalsa enters into this Consent Order freely and  
voluntarily, with a full understanding of its terms and significance, and only after review by his legal counsel.

1 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Kirtan Khalsa waives his  
2 rights to a hearing and judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

3 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

4  
5 Signed this 14<sup>th</sup> day of March 2016.

6  
7 Signed by:

8 /s/  
9 Kirtan Khalsa, Individually

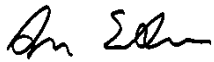
10  
11 SIGNED and ENTERED this 24 day of March 2016.

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15 \_\_\_\_\_  
16 William M. Beatty  
17 Securities Administrator

18 Approved by:

19 Presented by:

20 

21 \_\_\_\_\_  
22 Suzanne Sarason  
23 Chief of Enforcement

24 

25 \_\_\_\_\_  
26 Brian J. Guerard  
27 Financial Legal Examiner

28 Reviewed by:

29 

30 \_\_\_\_\_  
31 Jack McClellan  
32 Financial Legal Examiner Supervisor