

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:

Woso Energy Corporation, Osinmen E.
Sunday, Oziengbe E. Williams, and Merricks
J. Prudhomme, Sr.

ORDER TO CEASE AND DESIST
AND IMPOSING A CIVIL PENALTY

06-054

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Woso Energy Corporation (“Woso”) was incorporated in California in 2004 and has a principal place of business at 4336 11th Avenue, Los Angeles, California 90008. Woso has also used 1505 17th Street, Suite 214, Santa Ana, California 92705, as an alternative business address.
2. Osinmen E. Sunday is an individual who has been at all relevant times the chief executive officer and chairman of Woso and whose last known business address is 4336 11th Avenue, Los Angeles, California 90008. He is also known as Osin E. Sunday, Sunday E. Osin, Sunny Olson, Olson Sunny, Monday O. Sunday, and Monday O. Ehigalua.
3. Oziengbe E. Williams is an individual who was at all relevant times an officer and director of Woso and whose last known address is 22307 Black Gum Street, Moreno Valley, California 9253. He is also known as William E. Oziengbe, Ozzie E. Williams, and E.O. Williams.
4. Merricks J. Prudhomme, Sr., is an individual who acted at all relevant times as a sales representative of Woso and whose last known address is 3337 Bristol South, # 72, Santa Ana, California 92704.
5. In or about April 2005, a resident of Southwest Harbor, Maine (“the Maine resident”) received telephone calls from Prudhomme, who indicated that he represented Woso and solicited the Maine resident to purchase an investment in an oil and gas drilling project. Prudhomme represented to Smith that the well at issue was already being drilled and producing oil. He also represented that Smith had to send money to Woso as soon as possible in order to qualify for “first month production revenues,” and that those revenues would be distributed by May 10, 2005.
6. As a result of these telephone solicitations, on or about April 29, 2005, the Maine resident invested \$30,000 in the drilling project, referred to as “South Red Oak Prospect,” by sending a check to Woso in that amount. The investment was memorialized by a Subscription and Customer Agreement signed by “Ozzie E. Williams.”

7. This investment was not registered as a security in Maine and Prudhomme was not licensed to offer and sell securities in Maine.
8. The Maine resident has received no written information from Woso concerning the status of the project or his investment. In summer 2005 he made several calls to Woso in order to obtain such information and, on one occasion, spoke to Sunday, who admitted that in fact the well had not been drilled at all. In fall and winter 2005, the Maine resident made several more telephone calls to Sunday and spoke to him on one occasion, in October. In that telephone call Sunday stated that he was attempting to resolve a dispute with the well driller and would eventually refund money to investors.
9. The Maine resident has not received any funds back from Woso in connection with the investment.
10. The respondents did not disclose to the Maine resident that Prudhomme was not licensed to offer or sell securities in Maine.
11. On or about February 17, 2006, the Office of Securities (“the Office”) sent certified letters to Woso, Sunday, Williams, and Prudhomme. These letters were received by Woso, Sunday, and Williams on February 21. In the letters, the Office requested that the recipients immediately send the Office a signed statement agreeing to refrain from further solicitations and sales in Maine. The letter to Woso and Sunday also requested that they provide, within seven days, a written statement listing the identity of all Maine persons whom Woso had solicited or who had purchased investments. The Office received no response to the letters.
12. The investment that Woso offered and sold to the Maine resident is a “security” under section 10501(18) of the Revised Maine Securities Act, 32 M.R.S.A. §§ 10101-10713 (“the Act”).
13. With respect to the security offered and sold to the Maine resident, Woso is an “issuer” under section 10501(9) of the Act.
14. With respect to the offer and sale of the security to the Maine resident, Prudhomme acted as a “sales representative” in Maine under section 10501(16) of the Act.
15. Pursuant to section 10401 of the Act, a person may not offer and sell any security in Maine unless the security is registered under the Act.
16. Respondents violated section 10401 of the Act because the security that they offered and sold to the Maine resident was not registered under the Act.
17. Pursuant to section 10301(1) of the Act, a person may not transact business in Maine as a sales representative unless licensed under the Act.
18. Prudhomme violated section 10301(1) of the Act because he was not licensed as a sales representative in Maine when he offered and sold the security to the Maine resident.

19. Pursuant to section 10301(2) of the Act, it is unlawful for any issuer to employ or contract with a person as a sales representative in Maine unless the sales representative is licensed under the Act.
20. Woso violated section 10301(2) of the Act by employing or contracting with Prudhomme as an unlicensed sales representative in Maine.
21. Pursuant to section 10201 of the Act, in connection with the offer or sale of any security, a person shall not, directly or indirectly: (a) employ any device, scheme or artifice to defraud; (b) make any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (c) engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.
22. Respondents violated section 10201 of the Act by making false representations to the Maine resident that, among other things, the well at issue was already being drilled and producing oil, and the Maine resident was required to invest quickly.
23. Respondents also violated section 10201 of the Act by failing to disclose, among other things, that Prudhomme was not licensed to offer and sell securities in Maine.
24. Pursuant to section 10601(3) of the Act, “[i]t is unlawful to fail to provide promptly any written statement if requested” by the administrator.
25. By failing to provide the written statements requested by the administrator, Woso, Sunday, and Williams violated section 10601(3) of the Act.
26. As officers or directors of Woso, Sunday and Williams are “control persons” of Woso pursuant to 32 M.R.S.A. § 10602(3). They are thus liable for the securities law violations of Woso.
27. Pursuant to section 10602(1) of the Act, the administrator may issue a cease and desist order if he reasonably believes that any person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act.
28. Pursuant to section 10602(1) of the Act, the administrator may issue an order imposing a civil penalty that may not exceed \$1,500 for a single violation if he reasonably believes that any person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act.
29. In this matter, each respondent is liable for at least one violation each of sections 10401, 10301, and 10201 of the Act, and each respondent except Prudhomme is liable for one violation of section 10601(3) of the Act.
30. Effective December 31, 2005, the Maine Uniform Securities Act, Title 32, Chapter 135, superseded the Act and governs conduct occurring after December 31, 2005.

31. On March 16, 2006, the Securities Administrator issued a Notice of Intent to Issue a Cease and Desist Order and Impose a Civil Penalty on Woso, Sunday, Williams, and Prudhomme (“Notice”), giving them thirty (30) days to request a hearing on the matter. No respondent has requested a hearing or otherwise responded to the Notice.
32. In accordance with 5 M.R.S.A. § 9053(3), and Section 19(1) of Office of Securities Rule Chapter 540, the Securities Administrator may dispose of this proceeding by default.

FINAL ORDER

NOW, THEREFORE, it is ORDERED that Respondents Woso, Sunday, Williams, and Prudhomme CEASE AND DESIST from violating the Maine Uniform Securities Act, including the prohibitions against securities fraud, offering and selling unregistered securities, transacting business as an unlicensed agent in Maine, and employing or contracting with an unlicensed agent in Maine.

It is further ORDERED that Respondents Woso, Sunday, and Williams shall each pay a civil penalty of \$6,000, and that Respondent Prudhomme shall pay a civil penalty of \$4,500. All payments should be made payable to Treasurer, State of Maine.

Pursuant to 32 M.R.S.A. § 10708, this is a final order, entered after notice and opportunity for hearing. Pursuant to 32 M.R.S.A. § 10709, a party may obtain judicial review of the order in Kennebec County Superior Court by filing a petition within thirty (30) calendar days after receipt of the order, in accordance with 5 M.R.S.A. § 11001 et seq. and Rule 80C of the Maine Rules of Civil Procedure.

Date: April 20, 2006

s/Michael J. Colleran
Michael J. Colleran
Securities Administrator

Reviewed by:

Date: April 20, 2006

s/Bonnie E. Russell
Bonnie E. Russell
Assistant Securities Administrator

Presented by:

Date: April 20, 2006

s/Michael W. Atleson
Michael W. Atleson
Staff Attorney