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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

TO: James Burdette Henningsen  
Camarillo, California

**DESIST AND REFRAIN ORDER**  
**(For violation of section 25110 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. James Burdette Henningsen (“Henningsen”) is an individual residing in Camarillo, California.

2. In December of 2004, Henningsen approached a long-time acquaintance in his 80’s who was recovering from a stroke suffered about two years earlier. When the elderly man mentioned the financial burden of his medical expenses, Henningsen said that he had an investment to offer that would solve the man’s financial problems. Henningsen told the man that he knew of a company that was developing an oil field in Mexico and needed money to negotiate a contract that would allow them to bring the oil into this country. Henningsen represented that if the man invested \$20,000 as “bridge loan” financing for the company, he would receive his investment principal back with profits of \$200,000 in a period of just a couple of weeks. When the man agreed to invest, Henningsen filled out the man’s check for \$20,000, payable to Henningsen, and had the man sign it.

1           3. On or about the same day Henningsen gave the investor a letter confirming the supposed  
2 terms of his investment and identifying the company that was the subject of the investment as  
3 Sharpstown Energy Corporation in Houston, Texas.

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5           4. Approximately two weeks later the investor contacted Henningsen to find out when he  
6 would receive his funds. Henningsen became angry and told the investor not to contact him any  
7 further, that he would call the investor when the money arrived. Henningsen never called. The  
8 investor's son then contacted Henningsen who provided successive dates for payment of the money,  
9 but the dates passed without any payment occurring.

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11           5. The investor's daughter contacted Henningsen, and Henningsen told her that the  
12 company her father had invested in, Sharpstown Energy Corporation, was related to a company  
13 called Fiik Investments and a man named Ed Bias. The U.S. Attorney's Office for the District of  
14 Arizona issued a press release on March 24, 2005 announcing that Edgar A. Bias of Houston was  
15 arrested on March 21, 2005 after a federal grand jury returned an indictment charging him with  
16 involvement in an investment fraud scheme that cost investors over \$9.9 million. According to the  
17 press release, Bias created companies including Fiik Investments to solicit individuals to invest in so-  
18 called "trading programs" that falsely promised returns such as 120% at the end of 45 days.

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20           6. The investor has received no return of his principal or any portion of the promised profits.

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22           7. The California Corporations Commissioner has not issued any permit or order to qualify  
23 the offer or sale of bridge loan investments of Sharpstown Energy Corporation in this state.

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25           Based upon the foregoing findings, the California Corporations Commissioner is of the  
26 opinion that the "bridge loan" investment offered by James Burdette Henningsen in December of  
27 2004 constituted a security in the form of an investment contract that was subject to qualification  
28 under the California Corporate Securities Law of 1968 but was offered and sold without being

1 qualified, in violation of California Corporations Code section 25110.

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3 Pursuant to section 25532 of the Corporate Securities Law of 1968, James Burdette  
4 Henningsen is hereby ordered to desist and refrain from the further offer or sale in the State of  
5 California of securities in the form of investment contracts in bridge loans unless and until  
6 qualification has been made pursuant to the Corporate Securities Law of 1968 or unless exempt.

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8 This Order is necessary, in the public interest, for the protection of investors and consistent  
9 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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11 Dated: May 25, 2005  
12 Sacramento, California

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13 WAYNE STRUMPFER  
14 Acting California Corporations Commissioner

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15 By \_\_\_\_\_  
16 ALAN S. WEINGER  
17 Acting Deputy Commissioner  
18 Enforcement Division

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