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

TO: Tony Pistilli, Manager  
Robert Falco, Manager  
Synergy Oil, LLC  
328 Old Newport Blvd., Suite B  
Newport Beach, California 92633  
and  
20371 Irvine Ave., Suite 170  
Newport Beach, CA 92660  
and  
www.synergyoil-llc.com

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Synergy Oil, LLC (“Synergy Oil”) is a limited liability company organized under the laws of Oklahoma on July 14, 2009. It maintains a principal place of business at 328 Old Newport Blvd., Suite B, Newport Beach, California 92633. It also maintains or maintained an address at 20371 Irvine Ave., Suite 170, Newport Beach, CA 92660. It maintains a website at www.synergyoil-llc.com.

2. At all relevant times, Tony Pistilli (“Pistilli”) and Robert Falco (“Falco”) were Managers of Synergy Oil.

3. According to its Private Placement Memorandum (“PPM”), Synergy Oil is a company “organized for the purpose of raising funds for investment ... in emerging leaders in the oil and gas and exploration and development industry.” Specifically, the PPM provides that proceeds of the

1 offering will be used to purchase ownership interests in the Dewar Unit #1 Horizontal Well Drilling  
2 Offer and the Champion Drilling Offer.

3  
4 4. Beginning in August 2009 or earlier, Pistilli, Falco, and Synergy Oil offered and sold  
5 investment contracts in the form of “units of working interest” to residents of California and  
6 elsewhere. Pistilli, Falco, and Synergy Oil sold these units of working interest to at least 77 investors  
7 inside and outside of California.

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9 5. The securities were offered or sold in this state in issuer transactions. Synergy Oil  
10 used general solicitation in the form of telephone “cold-calls” and online advertisements through  
11 Google in order to offer and sell these securities.

12  
13 6. Synergy Oil is related to Elco Oil, LLC (“Elco Oil”) in that Synergy Oil raises money  
14 to purchase investments offered and sold by Elco Oil.

15  
16 7. In connection with the offer and sale of these securities, Pistilli, Falco, and Synergy  
17 Oil omitted to disclose that in 1997, Pistilli was convicted of a felony, conspiracy to commit wire  
18 fraud, 18 U.S.C. § 371. They also omitted to disclose that in 1998, Pistilli was convicted of another  
19 felony, mail fraud, aiding and abetting and causing an act to be done, 18 U.S.C §§ 1341; 2.

20  
21 8. In connection with the offer and sale of these securities, Synergy Oil omitted to  
22 disclose that on March 28, 2008, the California Department of Corporations issued a Desist and  
23 Refrain Order against Elco Oil, LLC, Dennis W. Stutes (“Stutes”), and William F. Elder (“Elder”),  
24 for violations of Corporation Code sections 25110 and 25401. At all relevant times, Stutes and Elder  
25 were control persons of Elco Oil.

26  
27 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion  
28 that the investment contracts that are being or have been offered or sold by Synergy Oil, LLC, Tony

1 Pistilli and Robert Falco are securities subject to qualification under the California Corporate  
2 Securities Law of 1968 and are being or have been offered or sold without being qualified in violation  
3 of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of  
4 1968, Synergy Oil, LLC, Tony Pistilli and Robert Falco are hereby ordered to desist and refrain from  
5 the further offer or sale in the State of California of securities, including but not limited to investment  
6 contracts, unless and until qualification has been made under the law or unless exempt.

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8 Further, the California Corporations Commissioner is of the opinion that the securities that are  
9 being or have been offered or sold by Synergy Oil, LLC, Tony Pistilli and Robert Falco were offered  
10 or sold in this state by means of written or oral communications which included an untrue statement of  
11 a material fact or omitted to state a material fact necessary in order to make the statements made, in  
12 the light of the circumstances under which they were made, not misleading, in violation of section  
13 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities  
14 Law of 1968, Synergy Oil, LLC, Tony Pistilli and Robert Falco are hereby ordered to desist and  
15 refrain from offering or selling any securities in the State of California, including but not limited to  
16 investment contracts, by means of any written or oral communication which includes an untrue  
17 statement of material fact or omits to state a material fact necessary in order to make the statements  
18 made, in the light of the circumstances under which they were made, not misleading.

19  
20 This Order is necessary, in the public interest, for the protection of investors and consistent  
21 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

22  
23 Dated: March 17, 2011  
24 Los Angeles, California

25 PRESTON DuFAUCHARD  
26 California Corporations Commissioner

27 By: \_\_\_\_\_  
28 ALAN S. WEINGER  
Deputy Commissioner  
Enforcement Division