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## Texas State Securities Board

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Austin, Texas 78701-2407  
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IN THE MATTER OF  
KENSINGTON RESOURCES, INC.;  
NANCY MASSA; BLAKE WARD  
AND MICHAEL LOMBARD

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§

Order No. ENF-08-CDO-1662

TO: Kensington Resources, Inc.  
600 Anton Blvd., Suite 1000  
Costa Mesa, California 92626

Nancy Massa  
600 Anton Blvd., Suite 1000  
Costa Mesa, California 92626

Blake Ward  
600 Anton Blvd., Suite 1000  
Costa Mesa, California 92626

Michael Lombard  
600 Anton Blvd., Suite 1000  
Costa Mesa, California 92626

### EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2008) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence sufficient for the Securities Commissioner to find that:

#### FINDINGS OF FACT

1. Kensington Resources, Inc. ("Respondent Kensington") maintains a last known address at 600 Anton Blvd., Suite 1000, Costa Mesa, California 92626. Respondent Kensington purports to be an investment bank.
2. Nancy Massa ("Respondent Massa") maintains a last known address at 600 Anton Blvd., Suite 1000, Costa Mesa, California 92626.
3. Blake Ward ("Respondent Ward") maintains a last known address at 600 Anton Blvd., Suite 1000, Costa Mesa, California 92626.

4. Michael Lombard ("Respondent Lombard") maintains a last known address at 600 Anton Blvd., Suite 1000, Costa Mesa, California 92626.
5. Respondents are offering for sale in Texas shares of common stock in American Environmental Energy, Inc. ("American Environmental"). Respondent Kensington is the owner of the shares of common stock that are being offered in Texas.
6. Respondents represent that American Environmental is a Nevada corporation engaged in the acquisition, configuration and operation of a variety of environmentally friendly fuel and energy production facilities. These facilities may include wind farms, solar power collection facilities, geothermal power plants and biofuel production plants.
7. The shares of common stock issued by American Environmental have not been registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
8. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
9. Respondents Kensington and Massa represent that investors must be accredited to purchase the shares of common stock in American Environmental, which is materially misleading or otherwise likely to deceive the public because Respondents Kensington and Massa are offering the shares to potential investors they know are not accredited and are encouraging the potential investors to falsely represent their status on relevant subscription documents.
10. Respondents are making the following representations about an investment in American Environmental:
  - a. Respondents Kensington and Massa are orally representing that the value of the shares is expected to increase from \$1 .50 per share to \$5 per share when the audit of the financial statements is complete;
  - b. Respondents Kensington and Lombard are orally representing that the value of the shares is expected to increase from \$1.50 per share to \$5 or \$6 per share; and
  - c. Respondents Kensington and Ward are orally representing that the value of the shares is expected to increase from \$1 .50 per share to between \$8 and \$10 per share once a documentary about the company airs on television.

These statements are materially misleading or otherwise likely to deceive the public because the written subscription agreement indicates that an investment in

American Environmental is highly speculative and the purchase of the shares involves a high degree of risk.

11. Respondents Kensington and Massa require investors to execute a subscription agreement that indicates that American Environmental has only recently been incorporated, which is materially misleading or otherwise likely to deceive the public because other written materials provided by Respondents Kensington and Massa indicate that American Environmental was incorporated under a different name in Minnesota in 1988 and that it moved to Nevada only after it changed its name to American Environmental on April 15, 2008.

#### CONCLUSIONS OF LAW

1. The shares of stock in American Environmental are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents are violating Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents are violating Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. Respondents have made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
5. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
6. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

#### ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.

3. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31 st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.0 of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 15<sup>th</sup> day of October, 2008.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner