

**COMMONWEALTH OF PENNSYLVANIA**  
**BEFORE THE**  
**PENNSYLVANIA SECURITIES COMMISSION**

---

**IN THE MATTER OF** :

\* Sundance Resources, Inc. :  
\* Michael E. Patman :  
  Aaron Drummer :

**RESPONDENTS** :

---

**ADMINISTRATIVE PROCEEDING**  
**Docket No. 0103-06**

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

WHEREAS, on March 20, 2001, the Pennsylvania Securities Commission (Commission) issued a Summary Order to Cease and Desist (Summary Order) against Respondents Sundance Resources, Inc. (Respondent Sundance), Michael E. Patman (Respondent Patman), and Aaron Drummer (Respondent Drummer) pursuant to Section 606(c.1) of the Pennsylvania Securities Act of 1972 (1972 Act), 70 P.S. §1-606(c.1);

WHEREAS, Respondents Sundance and Patman filed a timely written request that the Summary Order be rescinded;

WHEREAS, the staff of the Commission has alleged that Respondents Sundance and Patman have violated certain provisions of the 1972 Act in connection with the offer and sale of securities in the Commonwealth of Pennsylvania;

---

\* This Findings of Fact, Conclusions of Law, and Order applies only to Respondents Sundance Resources, Inc. and Michael E. Patman.

WHEREAS, Respondents Sundance and Patman have submitted the attached Offer of Settlement to the Commission for the purpose of settling these proceedings and consent to the Commission's making findings and conclusions and imposing sanctions; and

WHEREAS, based on the investigation conducted by staff of the Commission, the Commission finds that evidence exists to support the following facts and conclusions of law:

### **RESPONDENTS**

1. Respondent Sundance was at all times material herein a Texas corporation with a place of business at Lincoln Plaza, 500 N. Akard, Suite 2500, Dallas, Texas 75201. At all times material herein, Respondent Sundance was engaged in the business of the exploration, development and production of oil and gas properties as well as offering for sale fractional undivided working interests (Units) in an oil and gas drilling project known as N.W. Tuscola #8 Prospect, located in Taylor County, Texas, which Respondent Sundance proposed to manage.
2. Respondent Patman was at all times material herein the Chief Executive Officer and Chairman of the Board of Directors of Respondent Sundance.
3. Respondent Drummer was at all times material herein a probationary "trainee" of Respondent Sundance being considered for employment with Respondent Sundance.

### **FINDINGS OF FACT**

4. Paragraphs 1 through 3 above are incorporated herein by reference as if set forth in their entirety.
5. Respondent Patman was an "affiliate" of and in "control" of Respondent Sundance within the meaning of Sections 102(b) and 102(g) of the 1972 Act, 70 P.S. §§1-102(b) and 102(g). As such, Respondent Patman caused Respondent Sundance to commit the herein acts and practices.

6. In February and March, 2001, in the Commonwealth of Pennsylvania, Respondents, by and through Respondent Drummer, cold-called at least one (1) Pennsylvania resident (Pennsylvania Resident) who had no substantive pre-existing relationship with the Respondents and offered for sale the Units.
7. The Pennsylvania Resident described above was not an accredited investor under Rule 501 of Regulation D and did not have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the investment.
8. Offering materials provided to the Pennsylvania Resident indicate that Respondent Sundance is offering 15 Units at \$16,500 per Unit, for an aggregate offering amount of \$247,500.
9. The Units are “securities” within the meaning of Section 102(t) of the 1972 Act, 70 P.S. §1-102(t).
10. The Units were (a) not registered under Section 201 of the 1972 Act, 70 P.S. §1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. §1-202; and (c) not federally covered securities; and further, the securities transactions relating to the Units were not exempt from registration under Section 203 of the 1972 Act, 70 P.S. §1-203.

#### **CONCLUSIONS OF LAW**

11. Paragraphs 1 through 10 are incorporated herein by reference as if set forth in their entirety.
12. By engaging in the acts and conduct set forth in paragraphs 1 through 10 of the Findings of Fact, Respondents Sundance and Patman offered Units in Pennsylvania in violation of Section 201 of the 1972 Act, 70 P.S. §1-201.

## ORDER

NOW THEREFORE, the Commission further finds that it is necessary and appropriate, in the public interest, for the protection of the investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act, to issue the following:

AND NOW, this 23rd day of December 2003, the Commission ORDERS that:

1. The Offer of Settlement submitted by Respondents Sundance Resources, Inc. and Michael E. Patman IS ACCEPTED.
2. The Summary Order to Cease and Desist issued on March 20, 2001 is prospectively RESCINDED as to Respondents Sundance Resources, Inc. and Michael E. Patman.
3. Respondents Sundance Resources, Inc. and Michael E. Patman are ORDERED to permanently cease and desist from violating the 1972 Act.
4. Pursuant to Section 512(a)(5) of the 1972 Act, 70 P.S. §1-512(a)(5), Respondents Sundance Resources, Inc. and Michael E. Patman are BARRED, for a period of one (1) year from the date of this Order, from offering or selling securities in the Commonwealth of Pennsylvania unless they retain counsel knowledgeable and experienced in securities laws who will make all applicable filings with the Commission or has retained an opinion of counsel knowledgeable and experienced in securities laws that no filing is required with the Commission to exempt the securities or securities transactions.
5. Respondents Sundance Resources, Inc. and Michael E. Patman are ORDERED jointly and severally to pay \$795.62 to the "Commonwealth of Pennsylvania," which amount represents investigative and legal costs in this matter pursuant to Section 602.1(b) of the 1972 Act, 70 P.S. §1-602.1(b) and an administrative assessment pursuant to Section 602.1(c), 70 P.S. §1-602.1(c).

6. Should Respondents Sundance Resources, Inc. and Michael E. Patman fail to pay the costs set forth in paragraph 5 above, the sanction(s) set forth elsewhere in this Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording Respondents the option of either paying costs or being indefinitely subjected to the sanction(s).
7. Respondents Sundance Resources, Inc. and Michael E. Patman are ORDERED to comply with the 1972 Act and the regulations adopted by the Commission and in particular Section 201 of the 1972 Act, 70 P.S. §1-201.
8. Should Respondents Sundance Resources, Inc. and Michael E. Patman fail to comply with any or all of the provisions of this Order, the Commission may impose additional sanctions and costs and such other appropriate relief, subject to Respondent Great West Partners, Inc.'s right to a hearing pursuant to the 1972 Act.



BY ORDER OF THE COMMISSION:

  
\_\_\_\_\_  
Jeanne S. Parsons, Secretary

Date issued and entered: January 5, 2004

JC/csm

**COMMONWEALTH OF PENNSYLVANIA**  
**BEFORE THE**  
**PENNSYLVANIA SECURITIES COMMISSION**

**IN THE MATTER OF**

\* Sundance Resources, Inc.  
\* Michael E. Patman  
  Aaron Drummer

**RESPONDENTS**

**ADMINISTRATIVE PROCEEDING**  
**Docket No. 0103-06**

**OFFER OF SETTLEMENT**

**SECTION I**

Respondents submit this Offer of Settlement (Offer) to the Pennsylvania Securities Commission (Commission) for the purpose of settling allegations of the staff of the Commission that Respondents violated certain provisions of the Pennsylvania Securities Act of 1972 (1972 Act) in connection with the offer and sale of securities in the Commonwealth of Pennsylvania.

**SECTION II**

- A. Respondents admit the jurisdiction of the Commission over their persons and over the subject matter of this Offer.
- B. Respondents waive hearing and rehearing, including that provided by Section 607 of the 1972 Act; 70 P.S. §1-607.

---

\* This Offer of Settlement applies only to Respondents Sundance Resources, Inc. and Michael E. Patman.

- C. Respondents waive any and all review by a court of law, including that provided by Section 607(d) of the 1972 Act; 70 P.S. §1-607(d).
- D. Respondents, without admitting or denying the allegations therein, consent to the issuance of the appended Findings of Fact, Conclusions of Law, and Order which are incorporated herein by reference. Respondents specifically consent to the imposition of the sanctions set forth in the Order.
- E. All terms used but not defined herein shall have the meaning assigned to them by the 1972 Act.

SECTION III

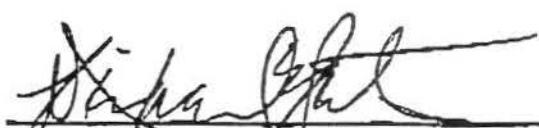
Respondents state that no promises of any kind or nature whatsoever were made to induce them to make this Offer, and that this Offer is a voluntary act on their part.

SECTION IV

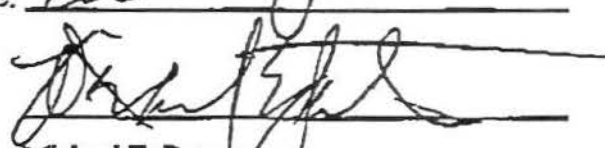
If this Offer is acceptable to the Commission, the provisions of the Offer shall become effective as of the date of the issuance of the appended proposed Findings of Fact, Conclusions of Law, and Order. If the Offer is not acceptable to the Commission, the Offer shall be deemed withdrawn without prejudice to Respondents.

Sundance Resources, Inc.

Date: 12-3-03

BY:   
TITLE: CEO

Date: 12-3-03

  
Michael E. Patman  
(individually)

ACKNOWLEDGMENT

Before me, the undersigned authority, personally appeared MICHAEL E PATMAN, well known or proved to me to be the person who executed the foregoing Offer of Settlement and acknowledged that he executed the same freely and voluntarily and for the purposes stated therein.



*Dawn Whiting*  
Notary Public

My commission expires: *09-23-2004*



ACKNOWLEDGMENT

Before me, the undersigned authority, personally appeared Sundara Resources Inc well known or proved to me to be the person who executed the foregoing Offer of Settlement and acknowledged that he executed the same freely and voluntarily and for the purposes stated therein.



*Dawn Whiting*  
Notary Public

My commission expires: 09-23-2004