

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

JOHN R. MORGAN
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310



Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
www.ssb.state.tx.us

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MEMBER

KENNETH W. ANDERSON, JR.
MEMBER

JACK D. LADD
MEMBER

BRYAN K. BROWN
MEMBER

SSB Docket No. 03-009

IN THE MATTER OF
ESS ENVIRONMENTAL, INC.
AND SEAN BOYD

§
§
§

Order No. CDO/FIN-1499

TO: ESS Environmental, Inc.
355 Lantana, Suite 111
Camarillo, California 93010

Sean Boyd
355 Lantana, Suite 111
Camarillo, California 93010

CEASE AND DESIST ORDER

Be it remembered that ESS Environmental, Inc. ("Respondent ESS"), by and through its President, David J. Feuerborn, and Sean Boyd, individually ("Respondent Boyd")(collectively "Respondents"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2003) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2003) ("Administrative Procedure Act").
2. Respondent ESS is a Delaware corporation with its principal place of business located at 355 Lantana, Suite 111, Camarillo, California 93010.
3. David Feuerborn is an individual who, at all times material to this Order, has been President of Research and Development for Respondent ESS and whose last known address is the same as Respondent ESS.

4. Respondent Boyd is an individual acting as a salesperson for Respondent ESS and whose last known address is the same as Respondent ESS.
5. In or about November, 2002, Respondent Boyd, on behalf of Respondent ESS, offered to at least one Texas resident ("Prospect") through telephone solicitations, shares of stock of Respondent ESS. During a telephone solicitation, Respondent Boyd provided the "Prospect" with an internet address for Respondent ESS located at the following URL: www.essenvironmental.com.
6. Respondent Boyd forwarded offering materials to the Prospect via Airborne Express. The offering materials, received by the Prospect in or about November, 2002, include a Memorandum dated July 18, 2002, wherein Respondent ESS offers up to 39,000,000 shares of stock at \$1.00 per share. The offering materials indicate the minimum purchase is 10,000 shares. The offering materials further indicate Respondent ESS was "formed for the purpose of resolving the problems of hazardous and non-hazardous waste management."
7. For the period from November 1, 1997, to the present, the records of the Texas State Securities Board fail to reflect that Respondents have been registered to sell securities in the State of Texas.
8. At all times relevant to this Order, the shares of stock offered by Respondents were not registered with the Securities Commissioner by qualification, notification, or coordination, and no permit was granted for the sale of the interests in the State of Texas as required by Section 7 of the Texas Securities Act.

CONCLUSIONS OF LAW

1. The above-referenced shares of stock constitute "securities" as defined in Section 4.A of the Texas Securities Act.
2. Respondent Boyd's conduct, described in Findings of Fact 5 and 6, constitutes the offer for sale of securities as defined by Section 4.E of the Texas Securities Act.
3. Respondents violated Section 7 of the Texas Securities Act by offering for sale in Texas the above-described securities without registering the securities with the Securities Commissioner.
4. Respondents have acted as "dealers" or "agents" in securities as those terms are defined in Sections 4.C and 4.D of the Texas Securities Act.
5. Respondent ESS violated Section 12 of the Texas Securities Act by utilizing an agent that was not registered with the Securities Commissioner.
6. Respondent Boyd violated Section 12 of the Texas Securities Act by offering the shares of stock at a time when Respondent Boyd was not registered with the Securities Commissioner.

7. The foregoing violations constitute bases for the issuance of a cease and desist order pursuant to Section 23.A of the Texas Securities Act.
8. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order assessing an administrative fine.

UNDERTAKING

Respondents agree that, for a period of two years from the date of this Order, they will deliver written notification to the Director of Enforcement of the Texas State Securities Board of an intent to rely upon any exemption from the securities registration and dealer/agent registration provisions of the Texas Securities Act, in connection with the offer or sale of any security in the State of Texas, at least 30 days prior to the date of the first offer of any security. Such notice shall describe, in detail, the securities intended to be offered, specifying the securities registration and dealer/agent registration exemption(s) that will be relied upon, all facts surrounding such assertion, the name(s) of all person(s) to be offering or selling the securities, and the dollar amount of securities to be offered in reliance upon the exemption.

ORDER

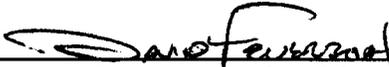
1. It is therefore ORDERED that Respondents CEASE AND DESIST from the offer for sale and sale of securities until the securities are registered with the Securities Commissioner or exempt from the securities registration requirements of the Texas Securities Act.
2. It is further ORDERED that Respondents CEASE AND DESIST from acting as dealers and/or agents until they are registered to sell securities or an available exemption is utilized.
3. It is further ORDERED that Respondents COMPLY with the Undertaking contained herein.
4. It is further ORDERED that Respondent ESS is ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Thousand Five Hundred Dollars (\$2,500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED by the Securities Commissioner this 17th day of March, 2003.

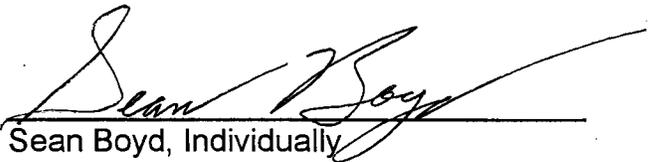

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondents:

ESS Environmental, Inc.



David J. Feuerborn, President



Sean Boyd, Individually

Approved as to Form:

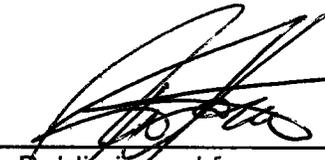


David Grauer
Director
Enforcement Division

ACKNOWLEDGMENT

On the 13 day of March, 2003, ESS Environmental, Inc. ("Respondent ESS"), by and through David J. Feuerborn, its President, personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

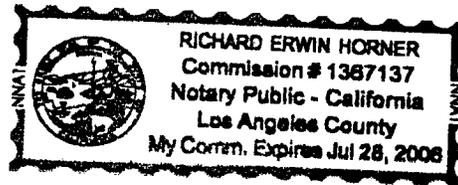
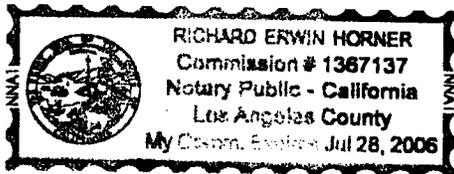
1. David J. Feuerborn is duly authorized to enter into the foregoing Order and Undertaking on behalf of Respondent ESS;
2. David J. Feuerborn has read the foregoing Order and Undertaking;
3. Respondent ESS has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent ESS knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking, and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent ESS, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



Notary Public in and for
the State of California

[affix notary seal here]

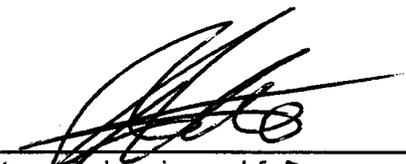
My commission expires on: 7-28-06



ACKNOWLEDGMENT

On the 14 day of March, 2003, Sean Boyd ("Respondent Boyd"), individually, personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Respondent Boyd has read the foregoing Order and Undertaking;
2. Respondent Boyd has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Boyd knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking, and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent Boyd, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



Notary Public in and for
the State of California

[affix notary seal here]

My commission expires on: 7/28/06

