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WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

BRIAN C. McNEIL
EXECUTIVE SECRETARY



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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Jeff Hatch-Miller, Chairman
William A. Mundell
Marc Spitzer
Mike Gleason
Kristin K. Mayes

FROM: Matthew J. Neubert *MJN*
Director of Securities

DATE: August 9, 2005

RE: Proposed Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties and Consent to Same by Respondents Christopher D. Dedmon and Kimberly Dedmon, husband and wife, and Omni Horizon Group, LLP, Docket No. S-03479A-05-0000

CC: Brian C. McNeil, Executive Secretary

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AZ CORP COMMISSION
DOCUMENT CONTROL

Attached is a proposed Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties and Consent to Same ("Order"), fully executed by Respondents Christopher D. Dedmon and Kimberly Dedmon on behalf of herself and their business entity, Omni Horizon Group, LLP ("Omni"). The proposed Order requires respondents to cease and desist from violations of the Securities Act and to pay restitution and penalties for the sale of unregistered and non-exempt securities. The transactions involved the sale of restricted common stock in a Nevada corporation called Clear Energy Horizons Inc. ("Clear Energy"), of which Omni was the majority shareholder.

From around September 9, 2003 through November 17, 2004, Respondents sold interests in Omni's shares of Clear Energy stock to around 100 investors in Arizona and other states. The Clear Energy stock certificates issued to Omni stated that the shares were restricted, and "transferable only on the books of the Corporation . . . upon surrender of this Certificate properly endorsed." Some of the purchasers were unaccredited investors, who received no written disclosure about the company or the principals of Clear Energy. Respondents distributed receipts and/or stock certificates, which they printed on their own printer. The certificates purported to transfer shares of Clear Energy stock from Omni's stockholdings. The shares were not transferred on the books of Clear Energy.

1200 WEST WASHINGTON, PHOENIX, ARIZONA 85007 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701

www.cc.state.az.us

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Respondents have agreed to pay full restitution plus interest, in the amount of \$656,676.87, and \$5,000 in administrative penalties. Respondents have also agreed not to apply for registration as a securities salesman or dealer, or licensing as an investment advisor or investment advisor representative in Arizona at any time in the future, pursuant to the proposed Order.

Originator: Pam Johnson

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

In the matter of

CHRISTOPHER D. DEDMON,
CRD#3015575, and KIMBERLY
DEDMON, husband and wife,
8181 W. Gelding Drive
Peoria, AZ 85381

OMNI HORIZON GROUP, LLP
7019 N. 53rd Ave.
Glendale, AZ 85301

Respondents.

DOCKET NO. S-03479A-05-0000

DECISION NO. _____

**ORDER TO CEASE AND DESIST, ORDER
OF RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES, AND
CONSENT TO SAME BY RESPONDENTS**

Respondents CHRISTOPHER D. DEDMON ("CHRIS DEDMON") and KIMBERLY DEDMON ("KIM DEDMON"), husband and wife, and OMNI HORIZON GROUP, LLP ("OMNI") ("Respondents") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And Desist, Order of Restitution, Order for Administrative Penalties, and Consent to Same by Respondents ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. CHRIS DEDMON's and KIM DEDMON's last known address is 8181 W. Gelding Drive, Peoria, Arizona 85381.

1 2. OMNI is an Arizona limited liability partnership established on or around August 22, 2000,
2 whose last known address was 7019 N. 53rd Ave., Glendale, Arizona, 85301. At all relevant times,
3 KIM DEDMON was the President of OMNI.

4 3. Clear Energy Systems, Inc. formerly known as Clear Horizons Energy Systems, Inc. ("Clear
5 Energy") is and was at all relevant times a privately held company, originally incorporated in the
6 State of Nevada on June 5, 2001. On or around May 17, 2002, Clear Energy filed with the Arizona
7 Corporation Commission as a foreign corporation, whose place of business was 2415 East
8 Camelback Road, Suite #700, Phoenix, Arizona 85016. On or around October 9, 2002, Clear Energy
9 filed a statement of change of known place of business to 14022 North 47th Street, Phoenix, Arizona
10 85032-5543.

11 4. On or around June 5, 2001, Clear Energy issued a stock certificate to OMNI for 5,500,000
12 shares of unregistered common stock. The certificate stated that the shares were restricted, and
13 "transferable only on the books of the Corporation by the holder hereof in person or by duly
14 authorized Attorney upon surrender of this Certificate properly endorsed." On or around January 1,
15 2002, Clear Energy issued a second stock certificate to OMNI for 500,000 shares of unregistered
16 common stock, bearing the same restrictions on transferability.

17 5. OMNI was at all relevant times the majority shareholder of the stock of Clear Energy.

18 6. From on or around September 9, 2003 through November 17, 2004, Respondents offered and
19 sold stock from the OMNI shares of Clear Energy to investors in Arizona and other states, at least
20 some of whom were unaccredited investors.

21 7. Many investors received no written disclosure or documentation concerning Clear Energy or
22 its principals. Some investors received only receipts for their investments. Some investors received
23 stock certificates representing ownership of Clear Energy stock.

24 8. Respondents distributed receipts and/or stock certificates, which they printed on their own
25 printer, to private investors. The certificates purported to transfer shares of Clear Energy stock from
26 OMNI's stockholdings. The shares were not transferred on the books of Clear Energy.

1 9. CHRIS DEDMON and KIM DEDMON agreed to transfer approximately 1,867,377 shares of
2 Omni's Clear Energy stock to approximately 100 investors in exchange for investment funds totaling
3 approximately \$535,700.

4 **II.**

5 **CONCLUSIONS OF LAW**

6 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
7 Arizona Constitution and the Securities Act.

8 2. Respondents offered or sold securities within or from Arizona, within the meaning
9 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

10 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
11 neither registered nor exempt from registration.

12 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
13 neither registered as dealers or salesmen nor exempt from registration.

14 5. Respondents violated A.R.S. § 44-1991 by failing to disclose that the certificates
15 were not transferred on the books of Clear Energy.

16 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. §
17 44-2032.

18 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
19 2032.

20 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
21 2036.

22 **III.**

23 **ORDER**

24 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
25 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
26

1 that the following relief is appropriate, in the public interest, and necessary for the protection of
2 investors:

3 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents permanently cease and
4 desist from violating the Securities Act. Respondents shall not sell any securities in or from
5 Arizona without being registered in Arizona as dealers or salesmen, or exempt from such
6 registration. Respondents shall not sell securities in or from Arizona unless the securities are
7 registered in Arizona or exempt from registration. Respondents shall not transact business in
8 Arizona as investment advisers or investment adviser representatives unless licensed in Arizona or
9 exempt from licensure.

10 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
11 of Order.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032 and A.A.C. Rule R14-4-308,
13 that Respondents shall, jointly and severally, pay restitution to investors shown on the records of
14 the Commission in the amount of \$656,676.87, subject to any legal set-off, and shall pay interest at
15 the rate of 5% per annum from the date of this Order. Payment shall be due on the date of this
16 Order and shall be made by cashier's check or money order payable to the "State of Arizona" to be
17 placed in an interest-bearing account maintained and controlled by the Commission. The
18 Commission shall disburse the funds on a pro rata basis to investors. Any funds that the
19 Commission is unable to disburse shall be transferred to the general fund of the state of Arizona.

20 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents shall, jointly
21 and severally, pay administrative penalties in the amount of \$5,000, plus interest at the rate of 5%
22 per annum from the date of this Order until paid in full. Payment shall be made by cashier's
23 checks or money orders payable to the "State of Arizona," due and payable on the date of this
24 Order.

25 ...

26 ...

1 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
2 Commission may bring further legal proceedings against that Respondent including application to
3 the superior court for an order of contempt.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION
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8 CHAIRMAN

COMMISSIONER

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11 COMMISSIONER

COMMISSIONER

COMMISSIONER

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13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
14 Executive Director of the Arizona Corporation
15 Commission, have hereunto set my hand and caused the
16 official seal of the Commission to be affixed at the
17 Capitol, in the City of Phoenix, this _____ day of
18 _____, 2005.

19 _____
BRIAN C. McNEIL
Executive Director

20
21 _____
DISSENT

22
23 _____
DISSENT

24 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
25 to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

26 (ptj)

CONSENT TO ENTRY OF ORDER

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1. Respondents CHRISTOPHER D. DEDMON (“CHRIS DEDMON”) and KIMBERLY DEDMON, husband and wife, and OMNI HORIZON GROUP, LLP (“OMNI”) (“Respondents”) admit the jurisdiction of the Commission over the subject matter of this proceeding. Respondents acknowledge that they have been fully advised of their rights to a hearing to present evidence and call witnesses and Respondents knowingly and voluntarily waive any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents acknowledge that this Order To Cease And Desist, Order of Restitution, Order for Administrative Penalties, and Consent to Same (“Order”) constitutes a valid final order of the Commission.

2. Respondents knowingly and voluntarily waive any right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. Respondents acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. Respondents acknowledge that they have chosen not to be represented by an attorney in this matter, they have reviewed this Order and understand all terms it contains.

5. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order. Respondents agree that they shall not contest their validity in any present or future administrative proceeding before the Commission or any other state agency concerning the denial or issuance of any license or registration required by the State to engage in the practice of any business or profession.

6. By consenting to the entry of this Order, Respondents agree not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is without

1 factual basis. Respondents will undertake steps necessary to assure that all of their agents and
2 employees understand and comply with this agreement.

3 7. While this Order settles this administrative matter between Respondents and the
4 Commission, Respondents understand that this Order does not preclude the Commission from
5 instituting other administrative proceedings based on violations that are not addressed by this
6 Order.

7 8. Respondents understand that this Order does not preclude the Commission from
8 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
9 that may be related to the matters addressed by this Order.

10 9. Respondents understands that this Order does not preclude any other agency or
11 officer of the state of Arizona or its subdivisions from instituting administrative, civil or criminal
12 proceedings that may be related to matters addressed by this Order.

13 10. Respondents agree that they will not apply to the state of Arizona for registration as
14 a securities dealer or salesman or for licensure as an investment adviser or investment adviser
15 representative at any time in the future.

16 11. Respondents agree that they will not exercise any control over any entity that offers
17 or sells securities or provides investment advisory services within or from Arizona at any time in
18 the future.

19 15. Respondents acknowledge and understand that if they fail to comply with the
20 provisions of the order and this consent, the Commission may bring further legal proceedings
21 against them, including application to the superior court for an order of contempt.

22 16. Respondents agree that until restitution and penalties are paid in full, Respondents shall
23 notify the Director of the Securities Division within 30 days of any change in home address and
24 any change in Respondents' ability to pay amounts due under this Order. Respondents agree that
25 they shall provide the Commission with an updated financial statement every six months from
26 entry of this Order or when any change in their ability to pay restitution occurs. Respondents agree

1 that failure to perform any action in this paragraph shall result in their being in default with any
2 outstanding balance being immediately due and payable without notice or demand.

3 17. Respondents understand that default shall render them liable to the Commission for
4 its costs of collection and interest at the maximum legal rate.

5 19. Respondents agree that they will continue to cooperate with the Securities Division
6 including, but not limited to, providing complete and accurate testimony at any hearing in this
7 matter and cooperating with the state of Arizona in any related investigation or any other matters
8 arising from the activities described in this Order.

9 20. Respondents CHRISTOPHER D. DEDMON and Respondent KIMBERLY
10 DEDMON acknowledge that any restitution or penalties imposed by this Order are obligations of
11 the Respondent as well as the marital community.

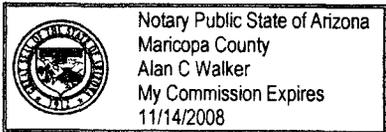
12 21. Respondents consent to the entry of this Order and agree to be fully bound by its
13 terms and conditions.

14 22. KIMBERLY DEDMON represents that she is President of OMNI HORIZON
15 GROUP, LLP and has been authorized by OMNI HORIZON GROUP, LLP to enter into this Order
16 for and on behalf of it. KIMBERLY DEDMON represents that she is authorized by law to enter
17 into this Order for and on behalf of OMNI HORIZON GROUP, LLP.

18
19 
CHRISTOPHER D. DEDMON

20 State of Arizona)
21 County of _____)

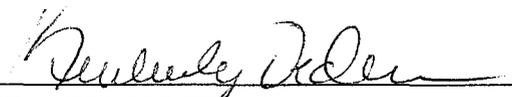
22 SUBSCRIBED AND SWORN TO BEFORE me this 9 day of August, 2005.



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25 NOTARY PUBLIC

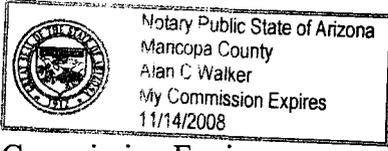
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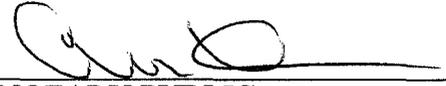
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KIMBERLY DEDMON

State of Arizona)
County of _____)

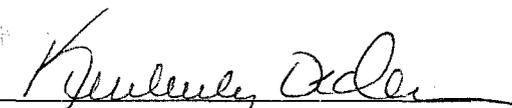
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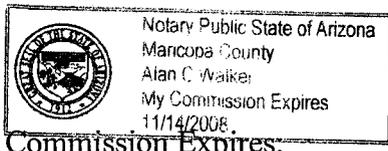
My Commission Expires:

OMNI HORIZON GROUP, LLP


By KIMBERLY DEDMON
Its Managing Member

State of Arizona)
County of _____)

SUBSCRIBED AND SWORN TO BEFORE me this 9 day of August, 2005.




NOTARY PUBLIC

My Commission Expires:
