

ORIGINAL

Petition of Demand to Vacate



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Date: August 1, 2007

From: The financial Majority of Participants in Agra Technologies Inc.'s Ore Rights and Mining Project (The Undersigned)

To: Arizona Corporation Commission
Brian C. McNeil -Executive Director
1300 W. Washington
Phoenix, Arizona 85007

Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

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RECEIVED

cc: Commissioner Mike Gleason, ACC Chairman
1200 W. Washington
Commissioners Wing - 2nd floor
Phoenix, Arizona 85007

DOCKETED BY
JN *ME*

RE: Docket No. S-20484A-06-0669, Agra Technologies, Inc.

We, the Financial Majority of Participants in Agra Technologies Inc.'s Ore Rights and Mining Project, (hereinafter known as The Undersigned), representing the financial majority of participants in Agra Technologies, Inc.'s Ore Rights and Mining Project, hereinafter known as ATI, are submitting this Petition to the Arizona Corporation Commission- Securities Division (hereinafter known as ACC) to:

1. Demand that the Temporary Cease and Desist Order, (Docket No. S-20484A-06-0669) enforced against ATI (and the named Respondents) on October 18, 2006 **be immediately vacated** and that the investigation be closed. *(Implicit in this demand is the expectation that the hearing currently scheduled for October 15, 2007 will be cancelled.)*
2. Demand that the ACC provide a clear and immediate explanation as to why its Securities Division did not follow its own due process in setting a hearing date in a timely manner as is outlined in the Temporary Cease and Desist Order.

This Petition outlines the Participants reasons for demanding that the Temporary Cease and Desist Order be immediately vacated and that the investigation be closed. The Participants issues and concerns regarding the investigation fall into three categories:

- A. We, as the principal 'public' related to this case, have not been well served by the ACC, which is a governmental body accountable to the public. It is now 10 months since the Temporary Cease and Desist Order was docketed. The Participants believe that the ACC has not followed its own due process and regulations and that the investigation has not been carried out in a fair, balanced and timely manner. In fact, it is our belief that the Temporary Cease and Desist Order has expired.
- B. The Participants question and dispute many of the 'Facts' and 'Violations' which are contained in the Temporary Cease and Desist Order as well as the limited amount of information the ACC used as a basis to initiate the action.
- C. The unduly prolonged investigation and the manner in which it has been carried out by

the ACC have already jeopardized the financial investments of Participants and ATI's ability to succeed in its mission and compensate the Participants for their financial involvement.

Time is of the essence in this matter. Any further delays will most certainly create further and irrevocable damage to ATI and ultimately to the Participants. (*See exhibit 2 – Background Information and Facts Supporting the Demands of the Petition*)

Due to the restrictions on communications between ATI and its financial Participants created by the ACC investigation, The Undersigned are submitting this Petition without the request, input or prior knowledge of the ATI Respondents.

Due to the fact that The Undersigned believe that we are not Investors as defined by the Securities Acts, The Undersigned are deliberate in using the term 'Participants' rather than 'Investors' throughout this document.

In reviewing this Petition (and any further communications from ATI Participants), The Undersigned want to firstly address any assumptions that the ACC may have that the Participants are "unsophisticated investors" and therefore easy targets for a fraudulent investment "scam".

The education and business backgrounds of The Participants have extensive range and diversity, including but not limited to:

- Mineral economics (an economist who had a senior position with one of the largest mining operations in the world)
- Law
- Geology
- Licensed Brokers
- Engineering
- Aviation
- Computer science
- Medicine
- Arts
- Corporate executives
- Real estate professionals and developers
- Finance officers and advisors
- Scientists
- And a variety of successful entrepreneurs and business owners

Therefore, The Undersigned expect that the ACC, (our elected Commissioners and their staff) will take our legitimate issues with this case and our demands to rectify the situation, which are outlined in this Petition, very seriously and respectfully.

The Undersigned are bringing this matter to the attention of the senior ACC representatives, (Chairman of our elected Commissioners, and the Executive Director, responsible for staff and accountable to the Commissioners), because a number of the Participants have contacted the relevant staff in the ACC Securities Division over the past months with unsatisfactory explanations and results.

As detailed in Exhibit 2, the ACC have not been forthcoming in providing information, which the financial Participants have the right to, nor has there been any interest shown in consulting with the Participants regarding the validity of the allegations. This includes directly related unreturned phone calls placed by Participants to the ACC.

The Participants believe that the Commissioners, our elected officials, will be very concerned upon learning of the manner in which their staff deals with their public and represents their Commission.

We, the Participants, fully trust that the Commissioners and the Executive Director will appreciate this matter being brought to their attention and their being given the opportunity to remedy the situation.

Please be advised that if the reasonable and legitimate demands of the Participants are not addressed fully, promptly and to our satisfaction, let it be know that the Participants have every intention to take whatever actions are necessary to insure that our interests are protected.

However, it is the expectation of the Participants that the ACC Commissioners and their staff will **recognize** the validity of our case and respond positively to our legitimate demands.

Time is of the essence. Any further delays by the ACC will most certainly create further and possibly irrevocable damage to ATI and ultimately to we, the Participants. The Participants therefore expect a written reply on or before August 10, 2007, to the contact below:

Email: Agra2007@aol.com

Please mail a hard copy of your reply to:

Agra Tech Participants

15900 S. Thayer Rd

Oregon City, Oregon 97045

We would also appreciate direct phone communication from you to our designated contact person:

Rhonda Faris-Holman – (503) 655-4104

Sincerely,

Participants of Agra Technologies, Inc's Ore Rights and Mining Project
(See Exhibit 1 – Signatories)

Exhibit 1**Signatories** All signatures authorized – documented and on file.

1. Paula Ainsworth; Vista, CA
2. John Anderson; Sacramento, CA
3. Sperry Andrews; Sedona, AZ
4. David Austin; Vancouver, B.C.
5. Elizabeth Austin ;Vancouver , B.C.
6. Paula Baker; Sedona, AZ
7. Harvey Bank; Springfield, OH
8. Carollyne (Peach) Banner; Victoria, B.C.
9. Mary Elizabeth; Barnette ; Montrose, CO
10. Lindsay Bates ; Sedona, AZ
11. Taylor Bates ; Sedona, AZ
12. Devin Battley; Derwood, MD
13. K.C. Baum; Durango, CO
14. Hoffa Bogart; Sedona , AZ
15. Ted Button; Victoria , B.C.
16. Colin Caie & Jean Stevenson; Sedona, AZ & Toronto,Ontario, Canada
17. Lawrence H. Chait ; Phoenix, AZ
18. Michele Chaney; Sedona, AZ
19. Brad Clark; Berphoud, CO
20. Kraig Clark; Bolder, CO
21. Wendall D. Clarkson; Missisauga,Ontario, Canada
22. Barbara Crosby; Asheville, N.C
23. Christina Corbisello Deming; Dewey, AZ
24. C. Bert Dempsey, Boulder, CO
25. Rudy Derton; North Van, B.C. Canada
26. Jeffery Casey: DeYoung; Stevensville, MT
27. John Robert:DeYoung & Peggy Ann:DeYoung; Stevensville, MT
28. Nancy Lynn Duncan; Sedona, AZ
29. Craig E. Engstrom; Fort Collins, CO
30. David Evans; Broomfield, CO
31. Rhonda Faris-Holman; Prescott, AZ
32. Adrian Farnsworth; Battle Ground, WA
33. Dave Genet; Winsor, CO
34. Genie Goldberger; Pahoia, HI
35. Eric Alexander Haggard; Sedona, AZ
36. Theda Hawkins (Kester); Loveland, CO
37. Linda Hecht; LaMesa, CA
38. Melissa Randi Hill; Sedona, AZ
39. Roberta Hinks; Cochrane, Alberta, Canada
40. Leianne Holingsworth; Sedona,AZ
41. W.C. Jackson; Victoria, B.C.
42. Alarya B. Jay; Sedona,AZ
43. Byron & Nancy Johnson : Prescott, AZ
44. Maurice Juneau; Edmonton,Alberta,Canada

45. Pamela S. Kerschner; Arvada, CO
46. Patricia Kerschner; Sedona, AZ
47. Dawn Kliarsky; St. George, UT
48. Ron Macnaught; Langley B.C.
49. Rebecca Moyer; Sedona, AZ
50. Danny & Yolanda Lemon; Oro Valley ,AZ
51. Hopeton & Lona Loudon; Calgary, Alberta, Canada
52. Peter Mt. Shasta; Manager; Mt. Shasta, CA
53. Gerod & Debbie Melton; Fort Collins, CO
54. Charles Mills; Calgary, Alberta, Canada
55. David Erick Mulder & Lynda Ann Mulder; Okotoks, Alberta, Canada
56. Kenneth New; Camp Verde, AZ
57. Alyssa Navarette; Signal Hill, CA
58. Brain Petford; Sannichton; B.C., Canada
59. Gloria Reeder; Sedona, AZ
60. Richard Rothwell; President; Innisfil, Ontario, Canada
61. Enocha Ryan; Sedona, AZ
62. Sharon Lee Shapiro; Sedona, AZ
63. Nigel Smith; Southampton, Bermuda
64. Steven Strauss; Sedona, AZ
65. N. Jobie Summer; Talent, OR
66. James Sweet; Phoenix, AZ
67. James Taylor; Seattle, WA
68. Douglas L. Turner; Loveland, CO
69. Frank K. Uddo ; Santa Monica, CA
70. David Vette; Sedona, AZ
71. Steven Wallach, Tucson, AZ
72. Ronald S. Walsh ; Burnsby, B.C.
73. Collin Weeks; Victoria, B.C.
74. Timothy A. Wilson, Prescott Valley, AZ
75. Dave Woodard ; Dublin, OH
76. James B. Urquhart, Jr ; Prescott, AZ
77. John von Pultzner ; North Kingstown, RI
78. Jozette Wygergangs; Victoria, B.C

Exhibit 2**Background Information and Facts Supporting the Demands of the Petition**

- A. We, the Participants, as the principal 'public' related to this case, have not felt well served by the ACC, which is a governmental body accountable to the public. It is now 10 months since the Cease and Desist Order was docketed. We believe that the ACC has not followed its own due process and regulations and that the investigation has not been carried out in a fair, balanced and timely manner. In fact, it is our belief that the Temporary Cease and Desist Order has expired.**

The Participants acknowledge the responsibilities of your Commission and understand that the Mission of the ACC Securities Division is:

"To ensure the integrity of the securities marketplace through investigative actions as well as the registration and oversight of securities, securities dealers and salesman; and investment advisers and their representatives; to enhance legitimate capital formation and to minimize the expense of regulatory compliance on legitimate business, consistent with vigorous investor protection".

(Note: Two key areas have been deliberately highlighted in the above Mission Statement due to the fact that a number of the Participants issues as outlined in this Petition are directly related to these aspects of the ACC Securities Division's Mission and Purpose)

The Participants are certain that in many instances the ACC Securities Division has played an important and positive role in informing and protecting the public. However, in the case of this investigation, we as the financial Participants have not been informed or protected in the least by the ACC's actions, or lack of action, over the last 10 months. On the contrary, the Participants believe that the ACC's investigation has shown complete and total disregard and contempt with regards to the Participant's rights to complete and forthcoming information and an investigation carried out in a fair, comprehensive and timely manner which is normally an integral aspect of 'vigorous investor protection'.

Frankly, the Participants are astounded and outraged that the ACC did not contact the Participants either before or immediately after issuing the 'Temporary' Cease and Desist Order. The Participants, as the 'public' you are set up to protect had a right to be informed of and consulted about the ACC's concerns and claims. Instead, the ACC did **not** send the Participants the Temporary Cease and Desist Order (so that they would be immediately aware and informed) nor was there any written or verbal communication with the Participant group (other than in response to communications from a number of Participants).

In addition, the Participants would have expected that a proper, fair and diligent investigation would have required contact with a large number (sampling) of Participants to determine if the 'Facts' and 'Violations' as outlined in the Temporary Cease and Desist Order were accurate from the 'investors' direct and personal experience and perspectives.

It is the understanding of the Participants that the ACC contacted only a small number of Participants (often in response to the Participants' efforts to get information) and when the validity of the 'Facts' and 'Violations' were questioned by the Participants there did not appear to be any interest or openness on the part of ACC to receive and incorporate that information into its investigation.

The Participants also find it astounding that to the best of our understanding not a single representative from the ACC has visited the ATI plant and office in Flagstaff. If the ACC investigators had taken seriously their responsibility to the Participants and made a timely visit to the plant, they would have

quickly come to the conclusion that ATI does not fit within the parameters of a typical mining 'scam' that we believe the ACC has grown accustomed to responding to over the years.

The ACC investigators would have seen (as many of the Participants have seen first hand on regular plant tours), that it is patently obvious that ATI has put the capital provided by the Participants directly into creation of a plant; purchase of equipment and technology; and into research and development and operations.

In addition, this investigation has been highly questionable in the extraordinary length of time it has taken to set a hearing date and appears to be in direct violation of the Temporary Cease and Desist Order (and the regulations governing it) itself. For example:

- the Temporary Cease and Desist Order was docketed on October 18, 2006
- the Order states in the first paragraph "the public welfare requires immediate action".
- the Order states on page 12 that it "shall remain in effect for 180 days unless sooner vacated, modified or made permanent by the Commission". 180 days is 6 months. April 2007 should therefore have been the latest deadline for 'immediate action' and due process.

FYI: many Participants did not contact the ACC earlier precisely because we trusted that due and timely process would be honored and ATI would satisfactorily answer the charges and the Order would be vacated. This is a significant fact. In addition, we are not aware of any legal steps the ACC has taken to extend the Temporary Cease and Desist Order beyond 180 days.

It is the Participants understanding that ATI has cooperated fully from the beginning by:

- Requesting a hearing within the time-frame - (within 20 days after service of the Order, page 13)
- Providing all records and documentation that the ACC can legitimately require prior to a hearing

Section IX, Page 13 of the Cease and Desist Order clearly states:

"If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission."

The time frame laid out in the Temporary Cease and Desist Order is clearly designed to ensure a fair and speedy process for **both** the Respondents and the public (Participants as well as the general public) and rightfully so.

It is of great concern to us that this due process has NOT been followed in the ATI case.

According to the due process outlined in the Order, a hearing should have been scheduled for October 18, 2006 at the earliest or November 17, 2006 at the latest. We have no knowledge of any written actions taken (i.e. 'provided by law, stipulated by the parties, or ordered by the Commission') that would explain why the ATI hearing was not scheduled within the normal 10 to 30 days from receipt of the request.

Instead, it is the understanding of the Participants that when ATI appeared for what they believed would be their hearing in April 2007, having already experienced extensive delays by the ACC, it emerged that it was a 'pre-hearing hearing!' and that the actual hearing is now scheduled for October, 2007.

The Participants do not believe that there can be any credible excuse for such an extreme delay in due process. The ATI case is small in scope and the ACC staff should have been able to do their work

quickly and efficiently on behalf of all parties involved.

Therefore, in addition to demanding that the Temporary Cease and Desist Order be vacated and the investigation be closed immediately (and the hearing cancelled), the Participants have also legitimately demanded a clear and immediate explanation as to why the ACC Securities Division did not follow its own due process in setting a hearing date in a timely manner as outlined in the Temporary Cease and Desist Order.

B. We, the Participants, question and dispute many of the 'Facts' and 'Violations' which are contained in the Temporary Cease and Desist Order as well as the limited amount of information the ACC used as a basis to initiate the action.

As previously stated, the ACC did not contact a large sampling of the Participants to provide evidence for or against the allegations prior to initiating the Cease and Desist Order or afterward as part of its investigation.

It is unknown to the Participants due to the total lack of communication from the ACC, as to whether we have any right whatsoever to be informed of the hearing date or the opportunity to testify at the hearing.

Without legal advice and without any information from ATI's principals or lawyers regarding their evidence, due to the fact that the ACC's investigation has restricted communications between ATI and its Participants, the Participants wish by way of this Petition to address a few of the 'Facts' and 'Violations' from our own experience and knowledge base.

The following is not meant to be comprehensive. A few key areas will be addressed that the Participants believe can be easily disputed and which demonstrate why the Participants believe there is a strong case to demand that the Cease and Desist Order should be immediately vacated.

Key Background Points

- As mentioned previously, the majority of the Participants are 'sophisticated investors' both in terms of education, knowledge and financial capacity.
- The Participants became involved with ATI with 'eyes open' knowing that this was an innovative and 'high risk' investment which would require research and development time as well as time for start-up.
- While it is true that the investment was originally linked to the specific Galleon process, ATI, in regular communications and updates to the Participants, was ethical in disclosing that problems had emerged through the testing of the Galleon process. They therefore decided to hire specialists and expend resources in pursuing other processes which would better fulfill the project goal of using an extraction process that would be 'commercially viable, commercially feasible, economically viable, economically feasible, and cost effective.'
- While it is true that original estimates of time and revenues proved to be unrealistic, due primarily to the Galleon process not being able to produce high yields at a high volume of production, most of the Participants understood at the time and still understand that any start-up operation will always have unexpected and unanticipated delays and this was most definitely a start-up business.
- What is most relevant about the 'Facts' regarding the Galleon process is that in point of fact it proves that ATI was **not a 'scam'**. The Participants' contracts with ATI clearly linked the project and Participant involvement with the Galleon process. When the Galleon process did not test out as well as had been hoped, ATI could have tried to stop the project then and there. Instead, Bill Pierson (ATI President) chose to honor the trust of the Participants by putting significant time

and energy into further Research and Development to create a viable new extraction process. In other words, Bill Pierson acted honorably and ethically and in the best interests of the Participants. **This is a very significant Fact.**

Specific Facts in the Temporary Cease and Desist Order That The Participants Wish to Clarify or Dispute

B-19. "From at least July 2003 to the present, Respondents have offered and sold unregistered securities in the form of investment contracts called Ore Rights and Mining Agreements within and from Arizona." (Directly extracted from the subject Temporary Cease and Desist Order)

1. It is the Participants understanding (and was from the beginning through conversations with Tim Thomis -ATI Agent) that he and Dick Campbell had been advised by the federal Securities Exchange Commission (SEC) that the structure and nature of the ATI Ore Rights and Mining Agreements constituted a 'Sale' and not a 'Security' per the Securities Acts.
2. It is the Participants understanding that ATI has evidence to support this conclusion.
3. If there was any mistake or incorrect information and advice provided to ATI about the project's status, then the Participants would have expected that the ACC could have initiated dialogue with ATI on the matter and directed ATI to correct the situation (if necessary) without taking the draconian measure of a 1-year Cease and Desist Order.

B-26. "Respondents failed to disclose to the majority of AGRA investors that approximately 25% of each purchased Unit was paid to AGRA's authorized agents and securities salespersons, such as HODGES and PAILLE, as commissions." (Directly extracted from Temporary Cease and Desist Order)

1. The majority of 'AGRA investors' purchased their units through Tim Thomis. Most Participants were fully aware that Tim was acting as an agent for ATI and would naturally receive a commission for his work. Many of us can testify that Tim explained that clearly to us.
2. Jerry Hodges and Larry Paille are Participants such as ourselves. They have substantial personal funds positioned in ATI. When Tim Thomis, who was the communication liaison between the Participants and ATI, died suddenly, Jerry and Larry agreed to take on the 'agent/liaison' role on behalf of the Participants.
3. This was extremely appreciated by the Participants and it was clearly understood that the only way they could be compensated for their time and energy would be through commissions on any future unit sales. To us it was standard business practice – pure and simple.
4. Therefore, the Participants find the ACC's allegation that the Respondents failed to disclose the 25% commission is false.

D. "Respondents Representations That They Can Extract Precious Metals From Volcanic Cinders On a Cost Effective Basis Is False." (Directly extracted from Temporary Cease and Desist Order)

1. The Participants believe this categorical statement presented as a 'Fact' to be erroneous.
2. It appears from the ACC's Press Release of October 24, 2006 that the ACC is basing this allegation and 'FACT' exclusively on a Department of Mining website.
3. The information found on these websites refers to technology that dates back 27 years.
4. With the rapid advances of science and technologies such as the nano technology currently being used by ATI, such website information is archaic and therefore an irresponsible basis upon

which to initiate a Cease and Desist Order let alone to claim Fraud in a press release.

5. At the very least, a fair, timely and comprehensive investigation process should have involved a tour of the ATI plant and a presentation of the nano technology and the certification processes that ATI has been carrying out. As already noted, this was not done by the ACC as part of its unusually prolonged 10-month investigation process.
6. The Participants would also like to use this 'FACT' as a prime example that the ACC Securities Division has violated the intent and spirit of its own Mission. Specifically... "to enhance legitimate capital formation; and to minimize the expense of regulatory compliance on legitimate business".
7. It is the Participants view that the ATI Ore Rights and Mining Agreements Project is a classic case of an opportunity to enhance capital formation into an innovative and entrepreneurial business venture utilizing exciting new technological discoveries.
8. This is what Joseph Shumpeter (described by Business Week on the 50th anniversary of his death as one of America's greatest economists) pinpointed as the essence of today's capitalism. Shumpeter described the function of entrepreneurs as follows:

"The function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or more generally an untried technological possibility for producing a new commodity or producing an old one in a new way."

This is precisely what ATI has been trying to do with its research on using nano technology for mineral extraction on a cost effective basis. We as the Participants were excited to be part of this innovative and entrepreneurial effort.

However, the actions of the ACC have been in direct contravention of this economic growth principle of capitalism; have violated its own Mission (commitment to the public); and has NOT 'minimized the expense of regulatory compliance' in the way it has carried out its action against ATI.

D.31. – "From at least 2003 to July 2004, RESPONDENTS' Unit offering materials included pictures of platinum bars. At all times relevant, RESPONDENTS have also shown offerees and investors during AGRA Plant tours platinum tailings or nuggets mixed with the volcanic cinders. The platinum bars displayed in the unit offering materials and the platinum tailings or nuggets shown to offerees and investors during AGRA Plant tours were not extracted by RESPONDENTS from the volcanic cinders using their purported precious metal recovery technologies and expertise" (Directly extracted from Temporary Cease and Desist Order)

1. We are more than prepared to testify that we were never shown platinum tailings or nuggets mixed with volcanic cinders and/or were told by ATI that they were extracted from the volcanic cinders using their recovery technologies.
2. Any materials showing pictures of platinum bars used by ATI for information purposes were never presented by ATI to Participants as having been extracted from the volcanic cinders. They were clearly being used in the conventional business sense – to illustrate the potential outcome of this project.

D.33 – 35 "In May 2006, while still employed by AGRA, CAMPBELL informed PIERSON that the Galleon technology does not work and 'we now know, could have never worked' (Various statements, apparently quoted verbatim, made by Dick Campbell):

1. Firstly, by **October 2005, all Participants** were aware that the Galleon process (introduced to

ATI by Dick Campbell) did not work as hoped BUT as already noted, ATI was honoring its contracts with the Participants and expending time and money on R&D to develop alternative nano technologies.

2. Nothing was hidden or misrepresented about the Galleon process. On the contrary, there were regular progress reports and updates to the Participants on the testing of the process and the deficiencies found.
3. Most particularly, the Participants take great exception to the ACC using Dick Campbell as a primary source of information while neglecting to interview a large number of willing Participants as part of its investigation.
4. It is the Participants understanding that Dick Campbell's interpretation and intention was that since the ore contracts were tied to the Galleon process, the contracts were therefore void and that the Participants' money could be forfeited.
5. It is the Participants understanding that Bill Pierson refused to take that unethical course of action. Based on that disagreement and other covert actions that Dick Campbell had already attempted, Pierson was in the process of firing Campbell when Campbell abruptly resigned.
6. Further, it has recently come to light that Dick Campbell had been a principal officer of a company cited with impropriety and that Campbell had filed bankruptcy. Campbell never disclosed this information to the Participants and it is our understanding that Bill Pierson was also unaware of this fact until recently.

E. 40 *"In June 2006, RESPONDENTS represented that they intended to obtain over \$40,000,000 in "new" investor money. This sum far exceeds the amount of money RESPONDENTS claim to have raised to date from the sale of the AGRA Units and stocks."* (Directly extracted from Temporary Cease and Desist Order)

1. As mentioned, the Participants have not as yet sought legal counsel nor do we have information about ATI's own evidence and defense, with that in mind the Participants have no idea why the above would constitute an allegation of fraud especially given our clarification about a number of the 'FACTS'.
2. To us, the majority of Participants, this once again was and is evidence of Bill Pierson's highly ethical behavior in this matter. As had been fully reported to the Participants, ATI knew that it needed more capital to create a larger plant and purchase the equipment necessary to extract the Ore at higher volumes and at higher production rates using the alternative process.
3. This was all in line with ATI honoring its commitment to provide a good rate of return to its financial Participants.

Specific Violations Cited in the Temporary Cease and Desist Order That Participants Wish to Clarify or Dispute

IV – Offer and Sale of Unregistered Securities

1. This has already been addressed with the clarification that it is the Participants understanding that the federal Securities Exchange Commission (SEC) information was that the ore contracts did not constitute a security.
2. If this was incorrect, then it is the Participants position that that the ACC would have fulfilled its mandate of protecting our interests (and the general public) if it had brought this to the attention

of ATI prior to ordering a Cease and Desist Order and sought its cooperation in clarifying its status and if necessary having ATI comply with the Arizona Securities Act.

V- Transactions by Unregistered Dealers or Salesmen

Addressed as above

VI – Fraud in Connection with the Offer or Sale of Securities

1. This Violation and all of the specific allegations of fraud (47 A –I) seems to be a classic case of a ‘Catch-22’
2. If the information from the SEC was correct and the ATI project was in fact NOT a sale of Securities, then there is no basis for any of the charges of Fraud on that fact alone (let alone the clarifications the Participants have provided in this Petition).
3. If the information from the SEC was not correct and ATI should have registered with the ACC, then the Participants would expect the ACC to have simply proceeded on that basis in line with its mandate of ‘vigorous investor protection’.
4. In addition, the Participants have already addressed the majority of the so-called ‘Fraud’ allegations and would have been pleased to have been consulted on all of items 47 A-I, by the ACC prior to its initiation of the Cease and Desist Order or at the very least as part of the investigation.

C. The unduly prolonged investigation and the manner in which it has been carried out by the ACC has already jeopardized the Participants financial involvement and ATI’s ability to succeed in its mission and compensate the Participants for their financial involvement. Time is of the essence in this matter. Any further delays will most certainly create further and irrevocable damage to ATI and ultimately to the Participants.

The ACC’s Cease and Desist Order and unduly prolonged investigation have had the following devastating effects on ATI, the Respondents and the Participants:

1. Communications and information from ATI to its financial Participants has been virtually shut down for almost 10 months due to the constant scrutiny of ACC. This has caused extreme confusion and stress to the Participants who have been in the dark about the status of the project and the future of their financial commitments.
2. ATI has been severely hampered in its efforts to raise the additional capital it requires to successfully move forward.
 - As previously mentioned, prior to the Temporary Cease and Desist Order, ATI had been actively seeking additional capital funding in order to create a larger plant, purchase equipment and utilize an alternative nano technology process to the Galleon in order to carry out high volumes of production.
 - Private capital groups who have been professional and comprehensive in their due diligence process have been highly interested in investing in the ATI project. The Participants are aware of at least six investment organizations that had been interested. However, those investment organizations are unable and/or understandably unwilling to do so while there is an active Cease and Desist Order and an ACC investigation in process.

3. The time and money expended by the Respondents to contest and defend themselves has resulted in extraordinary stress on them and their families and has diverted their energies away from the project.
4. The Temporary Cease and Desist Order and the unduly extended period of time for a hearing date has place enormous obstacles in the path of ATI and its goal of being successful and meeting its financial obligations to the Participants.
5. Even so, the Participants want the ACC to be aware that the Participants fully support the efforts of ATI and respect and appreciate the tenacious and highly ethical manner in which ATI and Bill Pierson in particular are working to honor and protect our positions as Participants.

In Summary

For all the legitimate reasons outlined in this Petition, we the Undersigned Participants demand that:

1. The ACC's Temporary Cease and Desist Order (Docket No. S-20484A-06-0669) be immediately vacated and that the investigation be closed. . **(Implicit in this demand is the expectation that the hearing currently scheduled for October 15, 2007 will be cancelled.)**
2. That the ACC immediately provide a clear explanation for the lack of due process in a timely manner by its Securities Division as is outlined in the Temporary Cease and Desist Order.

Respond to:

Agra Tech Participants
15900 S. Thayer Rd
Oregon City, Oregon 97045
Email: Agra2007@aol.com
Rhonda Faris-Holman – (503) 655-4104