

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

TO: T.D. & Associates, Inc.  
T.D. Hawks, No.1, L.P.  
Dennis Timpe  
Michael Spradley  
18281 Lemon Drive  
Yorba Linda, CA 92886

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

- 1. T.D. & Associates, Inc. (“TD”) is a corporation doing business out of 18281 Lemon Drive, Yorba Linda, CA 92886. Dennis Timpe is the President of TD and Michael Spradley is an Account Representative with TD.
- 2. In August 2005, TD, Dennis Timpe and Michael Spradley offered and sold securities in the form of investment contracts involving interests in a limited partnership, specifically T.D. Hawks No.1, L.P. (“TD Hawks”), in which TD was the Managing General Partner. The partnership interests were sold as “Units” at \$7,500 per Unit.
- 3. The purported purpose of the solicitation was to offer participation in an enterprise involving the production of oil and gas.
- 4. On December 28, 2005 TD filed with the Department of Corporations a Form D Notice of Sale of Securities claiming an exemption pursuant to Rule 506 of Regulation D for the TD Hawks offering.
- 5. TD, TD Hawks, Dennis Timpe and Michael Spradley engaged in general solicitations in the offer of these securities for sale to the public by telephone. As a result, such offers and sales are not exempted from registration requirements under the federal Securities Act of 1933, and

1 therefore not exempted from California qualification requirements pursuant to Corporations Code  
2 section 25102.1.

3           6.       These securities were offered and sold in this state in issuer transactions. The  
4 Department of Corporations has not issued a permit or other form of qualification authorizing any  
5 person or entity to offer and sell these securities in this state.

6           7.       In connection with this offer, TD, TD Hawks, Dennis Timpe, and Michael Spradley  
7 omitted to disclose material facts, specifically the following:

8               a.)       On April 11, 2005 the Alabama Securities Commission issued a Cease and  
9 Desist Order against TD, Dennis Timpe and Michael Spradley after they engaged in general  
10 solicitation, following notice filing of a claimed Rule 506 Regulation D exemption, in connection  
11 with an oil and gas enterprise. Alabama ordered TD, Dennis Timpe and Michael Spradley to cease  
12 and desist from further offers or sales of any securities in that state.

13               b.)       On November 19, 1998 the Division of Securities for the State of Wisconsin  
14 issued an Order of Prohibition prohibiting Dennis Timpe, his agents and every entity and person  
15 directly or indirectly controlled or organized by or on his behalf, from the offering or selling of  
16 securities in Wisconsin unless registered. This Order of Prohibition arose out of TD, Dennis Timpe  
17 and Michael Spradley's unlicensed, unregistered and non-exempt offer of a security, and the failure  
18 to disclose the issuance of five prior Orders involving alleged violations of securities laws issued by  
19 regulatory agencies in the states of Maine, Montana (two Orders), Minnesota and Pennsylvania.  
20 Dennis Timpe expressly consented to the issuance of the Wisconsin Order.

21           Based on the forgoing findings, the California Corporations Commissioner is of the opinion  
22 that investments offered by TD, TD Hawks, Dennis Timpe and Michael Spradley constitute  
23 securities, which are subject to qualification under the California Corporate Securities Law of 1968,  
24 and that these securities have been and are being offered without being qualified, and are not exempt,  
25 in violation of Corporations Code section 25110.

26           Pursuant to Corporations Code section 25532, T.D. & Associates, Inc., T.D. Hawks No.1,  
27 L.P., Dennis Timpe and Michael Spradley are hereby ordered to desist and refrain from the further  
28 offer or sale in the State of California of securities, including but not limited to investment contracts

1 in the form of limited partnership interests, unless and until qualification has been made under the  
2 law or unless exempt.

3 Based on the forgoing findings, the California Corporations Commissioner is of the further  
4 opinion that securities were offered and sold by means of written or oral communications that failed  
5 to disclose material facts in violation of 25401 of the Corporations Code.

6 Pursuant to Corporations Code section 25532, T.D. & Associates, Inc., T.D. Hawks No.1,  
7 L.P., Dennis Timpe and Michael Spradley are hereby ordered to desist and refrain from offering or  
8 selling or buying or offering to buy securities in this state, including but not limited to investment  
9 contracts in the form of limited partnership interests, by means of any written or oral communication  
10 which includes an untrue statement of a material fact or omits to state a material fact necessary in  
11 order to make the statements made, in light of the circumstances under which they are made, not  
12 misleading.

13 This Order is necessary, in the public interest, for the protection of investors and consistent  
14 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

15 Dated: July 23, 2007  
16 Los Angeles, California

17 PRESTON DuFAUCHARD  
18 California Corporations Commissioner

19  
20 By \_\_\_\_\_  
21 ALAN S. WEINGER  
22 Lead Corporations Counsel  
23  
24  
25  
26  
27  
28