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**ARIZONA CORPORATION****COMMISSION**

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## **COMMISSION HALTS UNREGISTERED OIL AND GAS INVESTMENT PROGRAM, PENALIZES GILBERT PROMOTER**

PHOENIX, AZ—The Commission today ordered a Gilbert man and his affiliated company to pay \$707,000 in restitution and \$50,000 in administrative penalties for fraudulently selling an unregistered oil and gas investment program.

The Commission found that Fred Otto Bohn, who was the principal of Capital Oil and Gas, Ltd., represented to at least nine investors that he was a seasoned oil and gas broker who had successfully facilitated oil and gas sales throughout the world. The Commission found, however, that Bohn and his affiliated company had not successfully concluded a brokered oil deal or business transaction in over eight years. Moreover, Bohn and his company were not registered to offer or sell securities in Arizona.

Additionally, the Commission found that Bohn and his company sold to investors promissory notes that were individually and unconditionally guaranteed against financial loss. The Commission found that Bohn promised investors they would realize substantial returns on the promissory notes in a short period of time due to Bohn's expertise and experience in the oil and gas industry. To date, none of the investors have received their promised profits. In settling this matter, Bohn neither admitted nor denied the Commission's findings, but agreed to the entry of the consent order.

### **More caution for investors:**

Even when investing with someone they know, investors should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-0662 or toll free in Arizona, 1-866-VERIFY-9. The Division's investor education web site also has helpful information at [www.azinvestor.gov](http://www.azinvestor.gov).

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