

ORIGINAL

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

FILED

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NANCY DOHERTY, CLERK

By Deputy

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

DAVID SHANE LEWIS,
also known as David Kevin Lewis;
and SPARTAN OIL CORPORATION,
a Texas Corporation,

Defendants.

Civil Action No.

8F 00 CV 0233 - L

COMPLAINT

Plaintiff, Securities and Exchange Commission ("Commission"), for its Complaint against defendants David Shane Lewis, also known as David Kevin Lewis ("Lewis"), and Spartan Oil Corporation ("Spartan") (where appropriate collectively referred to as "Defendants") alleges and states that:

SUMMARY

1. This case involves fraudulent sales of unregistered securities, in the form of interests in oil and gas drilling programs and limited liability partnership interests, by defendants Lewis and Spartan. From May 1997 through October 1998, Lewis, initially through Centurion Oil Production Corporation ("Centurion Oil") and later through Spartan, operated a "boiler room" sales office in Garland, Texas. In connection with the scheme, Defendants raised approximately \$1.8 million from over 100 investors in numerous states. In the course of offering and selling the oil and gas programs and limited liability partnership interests,

Defendants made numerous misrepresentations of and omitted to state material facts concerning, among other things, the assets and operations of Spartan and Centurion Oil, Lewis' experience and past results, Spartan's ownership of certain leases, the potential production and costs of Spartan's projects, and the use of investor proceeds. Accordingly, Defendants, directly or indirectly, have engaged in acts, practices and transactions which have constituted, constitute and will constitute violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, as amended ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)]; Sections 10(b), 15(a)(1) and 15(c)(1) of the Securities Exchange Act of 1934, as amended ("Exchange Act") [15 U.S.C. §§ 78j(b), 78o(a)(1) and 78o(c)(1)] and Rules 10b-5 and 15c1-2 thereunder [17 C.F.R. §§ 240.10b-5 and 240.15c1-2].

2. The Commission, pursuant to authority conferred upon it by Sections 10(b), 15(c), and 23(a) of the Exchange Act [15 U.S.C. §§ 78j(b), 78o(c), and 78w], has promulgated Rules 10b-5 and 15c1-2 [17 C.F.R. §§ 240.10b-5 and 240.15c1-2], which rules were in effect at all times relevant herein and remain in effect.

3. Defendants, unless restrained and enjoined by this Court, will continue to engage in the acts, practices and courses of business alleged herein, and in acts, practices and courses of business of similar purport and object.

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. §77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] to: a) permanently restrain and enjoin the Defendants from engaging in the acts, practices and courses of business alleged herein; b) obtain ancillary equitable relief from the

Defendants in the form of an order of disgorgement of unjust profits plus prejudgment interest thereon; and c) impose civil penalties against each of the Defendants pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

5. This Court has jurisdiction and venue over this action pursuant to Sections 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d) and 77v(a)] and Sections 21(d) and (e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

6. The Defendants, directly and indirectly, have made use of the means or instruments of transportation and communication in, and the means or instrumentalities of interstate commerce or of the mails, in connection with the transactions, acts, practices and courses of business alleged in this Complaint. Certain of the transactions, acts, practices and courses of business alleged herein occurred within the Northern District of Texas and elsewhere.

PARTIES

7. The Commission is an independent agency of the United States created to enforce the federal securities laws for the protection of investors. The Commission was established by Section 4(a) of the Exchange Act [15 U.S.C. § 77d(a)].

8. Lewis, age 39, currently is a resident of Brownwood, Texas, and at all relevant times herein was a resident of the Garland, Texas, area. Lewis was the president and chief executive officer ("CEO") of Centurion Oil and, from August 1997 through the present, of Spartan.

9. Spartan is an oil and gas operator incorporated in Texas in 1979. Spartan has been registered with the Texas Railroad Commission as an oil and gas operator since 1980, but

its operator license currently is delinquent. From August 1998 through October 1998, Spartan's principal offices were located in Garland, Texas; in approximately October 1998, Spartan ceased active operations. Spartan has never been registered with the Commission as a broker or dealer.

OTHER ENTITIES

10. Centurion Group, Inc. ("Centurion Group"), a Delaware corporation owned and operated by Lewis, offered oil and gas interests to investors before May 1997, when it ceased operations. Centurion Group filed bankruptcy proceedings in the Northern District of Texas on October 29, 1997.

11. Centurion Oil was incorporated in Texas in 1992, and offered oil and gas interests to investors from May through early September 1997. Centurion Oil has never been registered with the Texas Railroad Commission as an oil and gas operator. Centurion Oil has not operated since approximately September 1997, and forfeited its charter in February 1999.

12. Spartan Project Development LLP ("Spartan LLP") is a limited liability partnership registered in Texas in September 1998. After Spartan ceased operations in October 1998, Spartan LLP also became defunct.

STATEMENT OF FACTS

Centurion Oil's Offering

13. From May 1997 through early September 1997, Lewis sold oil and gas interests through a Centurion Oil "boiler room" sales office in Garland, Texas. Lewis utilized unregistered Centurion Oil telephone salespersons to solicit investors in numerous states to fund the drilling of a well. In connection with the Centurion Oil sales, Lewis made material

misrepresentations concerning, among other things, Centurion Oil's assets and operations. Specifically, the private placement memorandum ("PPM") for the Centurion Oil offering claimed that the corporation's assets included active oil and gas lease sales from over 100 wells and that it had oilfield equipment and personnel. Centurion Oil, however, had no field personnel or equipment, no production revenue, and no operating leases. Lewis subsequently misled Centurion Oil investors about the progress on the project and the substitution of a different well, which ultimately was unsuccessful, for over two months. He also failed to disclose that less than 20% of the money that Centurion Oil raised was spent for the oil and gas project.

Lewis' Acquisition of Spartan

14. Because of the financial problems of Centurion Oil and Centurion Group, Lewis agreed in August 1997 to acquire Spartan, a small company with historical success as an oil and gas operator. As a part of the acquisition, however, Spartan was stripped of its assets—essentially, the only thing Lewis acquired was the Spartan name and the company stock. In fact, Lewis paid for Spartan using investor funds raised for Spartan projects.

Spartan's Oil and Gas Offerings

15. In early September 1997, Spartan began selling interests in oil and gas ventures through the same Garland, Texas, "boiler room" operation used by Centurion Oil. Using scripts prepared by Lewis and private placement memoranda ("PPMs") prepared under his supervision, Spartan telephone sales personnel offered and sold Spartan projects to investors nationwide. Lewis was one of the most successful salespersons, and he received commissions on several sales.

16. During Lewis' management of Spartan, the company raised approximately \$1.5

million from over 100 investors on the six oil and gas projects it sold. The projects were sold from September 1997 through October 1998, and were located in Parker and Tom Green Counties in Texas and in Montgomery County, Kansas.

17. Spartan made material misrepresentations or omitted material information in the PPMs for the six projects that it sold to investors. The PPMs created the false impression that Spartan under Lewis' management was an experienced, substantial, and reputable oil and gas operator, often by citing Spartan's "proven track record" and by claiming that Lewis had almost two decades of "successful experience" in the oil and gas industry. The PPMs for five of the six projects falsely represented that Spartan's assets included active oil and gas lease sales from over 120 wells and listed over 150 wells drilled or operated by Spartan since the 1980's. Additionally, another section in all six PPMs falsely claimed that Spartan had oilfield equipment and personnel.

18. In reality, Spartan under Lewis' management was far from successful or substantial. Lewis' most recent experience in the oil and gas industry resulted in the bankruptcy of Centurion Group and the financial difficulties of Centurion Oil. Spartan had no oil and gas assets when Lewis acquired it, and the wells listed as drilled or operated by Spartan had been originated by prior management. Additionally, Spartan lacked the equipment and personnel described in the PPMs. The PPMs failed to disclose that Spartan had no income, that it relied on investor funds to pay its expenses, and that it misapplied the funds raised on new projects to pay expenses of earlier projects, including the Centurion Oil project. Spartan also failed to disclose that it misapplied Spartan investor funds to partially repay some of the Centurion Oil investors.

19. In addition to these misrepresentations and omissions concerning Spartan's assets and operations, the company also made misrepresentations about the specific projects described in the PPMs. Spartan falsely represented in the PPM for the second Kansas project that it held leases for the project when, in fact, it never acquired them. On the first Kansas project, Spartan represented that it held leases for the project even though it did not acquire an interest in any Kansas leases until several months after it quit selling the project to investors. Spartan also misrepresented the potential production of five of the six projects, and it inflated the projected costs on four of the projects. As a result of these misrepresentations about the cost of the wells and their potential production, Spartan misled investors about the amount of its profit on each deal and their potential earnings from their investments.

20. The misrepresentations in the PPMs were repeated in the Spartan scripts and sales pitches. Although Lewis had only recently acquired Spartan and it had no oil and gas assets other than the prospects it was selling, Spartan sales personnel misled investors by telling them that Spartan had been in business for 20 years without a complaint and that the company owned and operated over 200 wells. In addition, the sales pitches and scripts sometimes further exaggerated the potential production of the projects.

Spartan LLP

21. In August 1998, Spartan began offering units in Spartan LLP, which it formed to fund Spartan's acquisition of oilfield equipment and oil and gas leases. Although the marketing materials were inconsistent about the size of the offering, the Spartan LLP PPM offered approximately 700 unregistered units for a total of \$7 million, but reserved the right to increase the offering to \$14 million. Spartan, its employees, and its selling agents were to

receive over 15% of the Spartan LLP units. Spartan raised \$20,000 for Spartan LLP from two investors before Spartan ceased operation in October 1998.

22. The marketing package for Spartan LLP consisted of a brochure concerning the partnership (“Spartan LLP brochure”) and the PPM. The marketing materials for the Spartan LLP repeat some of the misrepresentations made in other Spartan offerings. Notably, the Spartan LLP brochure repeated the claim that Lewis had “almost two decades of successful experience in the oil and gas industry,” again without mentioning the Centurion Group bankruptcy or Centurion Oil’s financial problems. It also falsely claimed that Spartan had field personnel and equipment and listed over 170 Spartan wells, without disclosing that almost 150 of the wells predated Lewis’ acquisition of Spartan.

23. The Spartan LLP marketing materials also included misleading information about the handling of investor funds and the marketing of the Spartan LLP units. The PPM indicated that investor funds would be deposited in an interest-bearing escrow account and would be returned if insufficient subscriptions were received. In fact, there was no escrow account and Spartan spent the money. Moreover, the offering materials failed to disclose that Spartan offered to convert the interests of investors in the unsuccessful Centurion Oil project into Spartan LLP units if the investors purchased an additional Spartan LLP unit. Thus, Spartan failed to advise investors that it was essentially giving away Spartan LLP units to the more than 20 Centurion Oil investors.

24. In each of the six Spartan projects and the Centurion Oil project, Lewis’ companies conveyed to investors an undivided percentage interest in the oil and gas interests purportedly owned by the company. Investors gave Spartan or Centurion Oil exclusive control

of drilling, completing, equipping, and operating the oil or gas wells.

25. Most of the approximately \$1.5 million that Spartan raised from investors was spent to pay for the boiler-room and other operations of the company. At least \$86,000 of Spartan investor funds was used to pay Centurion Oil expenses and investors. Centurion Oil spent less than \$50,000 of the over \$250,000 it raised on well-related costs; the remainder was used to run the company's boiler room. Most of the \$20,000 Spartan raised for Spartan LLP was spent on marketing materials and Spartan operations, and the remaining funds were withdrawn by Lewis.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

Fraud in Connection with the Purchase and Sale of Securities

Violations of Section 10(b) of the Exchange
Act [15 U.S.C. § 78j(b)] and Rule 10b-5
[17 C.F.R. § 240.10b-5] promulgated thereunder

26. The Commission realleges and restates the matters set forth in Paragraphs 1 through 25 of this Complaint and incorporates by reference those matters as if set forth here *verbatim*.

27. Lewis, directly and indirectly, by use of the means and instrumentalities of interstate commerce, of the mails or of the facilities of a national securities exchange, in connection with the purchase and sale of securities in the form of a Centurion Oil oil and gas projects interest: (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material facts, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(3) engaged in acts, practices or courses of business which operated as a fraud or deceit upon buyers of a Centurion Oil oil and gas project interest.

28. Lewis and Spartan, directly and indirectly, by use of the means and instrumentalities of interstate commerce, of the mails or of the facilities of a national securities exchange, in connection with the purchase and sale of securities in the form of Spartan oil and gas project interests and Spartan LLP units: (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material facts, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) engaged in acts, practices or courses of business which operated as a fraud or deceit upon buyers of Spartan oil and gas project interests and Spartan LLP units.

29. As a part of and in furtherance of the Centurion Oil scheme, Lewis prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or misrepresentations of material facts, including, but not limited to, claims that the company had active oil and gas lease sales from over 100 wells and oilfield equipment, and statements concerning the progress on the project.

30. As a part of and in furtherance of the Centurion Oil scheme, Lewis omitted to state facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the omissions concerning the company's lack of production revenue and operating leases, the substitution of a different project for the well sold to investors, and the use of the proceeds from the project.

31. As a part of and in furtherance of the Spartan scheme, Lewis and Spartan prepared, disseminated, or used offering memoranda, investor correspondence, and oral

presentations that contained untrue statements of material facts or misrepresentations of material facts, including, but not limited to, claims concerning Lewis' past experience and "success," Spartan's oil and gas leases, Spartan's oilfield equipment and personnel, the ownership of the leases for two Kansas projects, the potential production on five projects, and the projected costs on four projects.

32. As a part of and in furtherance of the Spartan scheme, Lewis and Spartan omitted to state facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the omissions concerning Centurion Group's bankruptcy and Centurion Oil's financial problems, Spartan's lack of income apart from investor funds, Spartan's use of investor funds to pay its operational expenses and the expenses for earlier projects, including the Centurion Oil project, and the use of Spartan investor funds to partially repay some Centurion Oil investors.

33. As a part of and in furtherance of the Spartan LLP scheme, Lewis and Spartan prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or misrepresentations of material facts, including, but not limited to, claims concerning Lewis' past experience and "success," Spartan's oil and gas leases, Spartan's oilfield equipment and personnel, and the use of an escrow account.

34. As a part of and in furtherance of the Spartan LLP scheme, Lewis and Spartan omitted to state facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the omissions concerning Centurion Group's bankruptcy and Centurion Oil's financial problems,

Spartan's lack of income apart from investor funds, and Spartan's offer to convert the interests of Centurion Oil investors into Spartan LLP units if the investors purchased an additional Spartan LLP unit.

35. In connection with the allegations contained in this claim, Lewis and Spartan acted knowingly, intentionally, or recklessly.

36. By reason of the foregoing, Lewis and Spartan have violated, and unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

SECOND CAUSE OF ACTION

Fraud in Connection with the Offer and Sale of Securities

Violations of Section 17(a) of the Securities Act [15 U.S. C. § 77q(a)]

37. The Commission realleges and restates the matters set forth in Paragraphs 1 through 36 of this Complaint and incorporates by reference those matters as if set forth herein *verbatim*.

38. Lewis, in concert with others, directly or indirectly, in the offer and sale of securities in the form of a Centurion Oil oil and gas project interest, by use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, have been:

- a. employing devices, schemes or artifices to defraud;
- b. obtaining money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

or

- c. engaging in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

39. Lewis and Spartan, in concert with others, directly or indirectly, in the offer and sale of securities in the form of Spartan oil and gas project interests and Spartan LLP units, by use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, have been:

- a. employing devices, schemes or artifices to defraud;
 - b. obtaining money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- or
- c. engaging in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

40. As a part of and in furtherance of the Centurion Oil scheme, Lewis, directly and indirectly, prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or misrepresentations of material facts or which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in Paragraphs 29 and 30 above.

41. As a part of and in furtherance of the Spartan scheme, Lewis and Spartan, directly

and indirectly, prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or misrepresentations of material facts or which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in Paragraphs 31 and 32 above.

42. As a part of and in furtherance of the Spartan LLP scheme, Lewis and Spartan, directly and indirectly, prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or misrepresentations of material facts or which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in Paragraphs 33 and 34 above.

43. By reason of the foregoing, Lewis and Spartan have violated, and unless enjoined, will continue to violate Section 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2) and (3)]. Furthermore, these defendants have intentionally, knowingly and/or recklessly engaged in the acts and practices described in this count, so they have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

THIRD CAUSE OF ACTION

Unregistered Broker-Dealer Violations

Violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]

44. The Commission repeats and realleges paragraphs 1 through 43 of this Complaint and incorporated herein by reference as if set forth here *verbatim*.

45. At the times alleged in this Complaint, Lewis was in the business of effecting transactions in securities for the accounts of others.

46. In connection with the offer and sale of Spartan LLP units, Spartan was in the business of effecting transactions in securities for the accounts of others.

47. Lewis and Spartan made use of the mails and of the means and instrumentalities of interstate commerce to effect transactions in or to induce or attempt to induce the purchase of securities.

48. At the times alleged in this Complaint, Lewis and Spartan were not registered with the Commission as a broker or dealer, as required by section 15(b) of the Exchange Act [15 U.S.C. §78o(b)].

49. By reason of the foregoing, Lewis and Spartan have violated and, unless enjoined, will continue to violate Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

FOURTH CAUSE OF ACTION

Broker-Dealer Antifraud Violations

Violations of Section 15(c)(1) of the Exchange Act [15 U.S.C. § 78o(c)(1)] and Rule 15c1-2 [17 C.F.R. § 240.15c1-2] promulgated thereunder

50. The Commission repeats and realleges paragraphs 1 through 49 of this Complaint and incorporated herein by reference as if set forth here *verbatim*.

51. Lewis, directly and indirectly, as a broker or dealer, made use of the mails or any means or instrumentality of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, securities in the form of Centurion Oil and Spartan oil and gas project interests units by manipulative, deceptive or other fraudulent devices or contrivances, including:

- a. making use of acts, practices, or courses of business which operated or would operate as a fraud or deceit upon offerees or buyers of Centurion Oil and Spartan oil and gas project interests units; or
- b. making untrue statements of material facts or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, with knowledge or reasonable grounds to believe that the statements or omissions were untrue or misleading.

52. Spartan, directly and indirectly, as a broker or dealer, made use of the mails or any means or instrumentality of interstate commerce to effect transactions in, or to induce or

attempt to induce the purchase or sale of, securities in the form of Spartan LLP units by manipulative, deceptive or other fraudulent devices or contrivances, including:

- a. making use of acts, practices, or courses of business which operated or would operate as a fraud or deceit upon offerees or buyers of Spartan LLP units; or
- b. making untrue statements of material facts or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, with knowledge or reasonable grounds to believe that the statements or omissions were untrue or misleading.

53. As a part of and in furtherance of the Centurion Oil and Spartan schemes, Lewis, as a broker or dealer, directly and indirectly, prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or and misrepresentations of material facts or which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in Paragraphs 29 through 32 above.

54. As a part of and in furtherance of the Spartan LLP scheme, Lewis and Spartan, as a broker or dealer, directly and indirectly, prepared, disseminated, or used offering memoranda, investor correspondence, and oral presentations that contained untrue statements of material facts or misrepresentations of material facts or which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which

they were made, not misleading, including, but not limited to, those statements and omissions set forth in Paragraphs 33 and 34 above.

55. In connection with the allegations contained in this count, defendants Lewis and Spartan acted knowingly, intentionally, or recklessly and with knowledge or reasonable grounds to believe that the statements or omissions were untrue or misleading.

56. By reason of the foregoing, defendants Lewis and Spartan have violated, and unless enjoined, will continue to violate Section 15(c) of the Exchange Act [15 U.S.C. § 78o(c)] and Rule 15c1-2 promulgated thereunder [17 C.F.R. § 240.15c1-2].

FIFTH CAUSE OF ACTION

Offers and Sales of Unregistered Securities

Violations of Sections 5(a) and 5(c) of the
Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)]

57. The Commission realleges and restates the matters set forth in Paragraphs 1 through 56 of this Complaint and incorporates by reference those matters as if set forth here *verbatim*.

58. Defendant Lewis and Spartan, in concert and with others, have, and unless enjoined, will continue to, directly and indirectly:

- a. Make use of the means and instruments of transportation and communication in interstate commerce and of the mails to sell securities through the use of written contracts, offering documents, and otherwise;
- b. Carry and caused to be carried such securities through the mails and in interstate commerce by means and instruments of transportation, for the purpose

of sale and for delivery after sale; and

c Make use of the means or instruments of transportation and communication in interstate commerce and of the mails to offer to sell such securities.

59. No registration statements have been filed with the Commission or are otherwise in effect with respect to any of the securities offered and sold by Lewis and Spartan.

60. By reason of the foregoing, Lewis and Spartan have violated and, unless enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Securities and Exchange Commission respectfully prays for judgment as follows:

(1) permanently enjoining defendant David Shane Lewis, also known as David Kevin Lewis, and Spartan Oil Corporation, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and of Rule 10b-5, 17 C.F.R. § 240.10b-5 promulgated thereunder;

(2) permanently enjoining defendants David Shane Lewis, also known as David Kevin Lewis, and Spartan Oil Corporation, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 5(a) and (c)

of the Securities Act, 15 U.S.C. § 77e(a) and (c);

(3) permanently enjoining defendants David Shane Lewis, also known as David Kevin Lewis, and Spartan Oil Corporation, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)];

(4) permanently enjoining defendants David Shane Lewis, also known as David Kevin Lewis, and Spartan Oil Corporation, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 15(c)(1) of the Exchange Act [15 U.S.C. § 78o(c)] and Rule 15c1-2 promulgated thereunder [17 C.F.R. § 240.15c1-2];

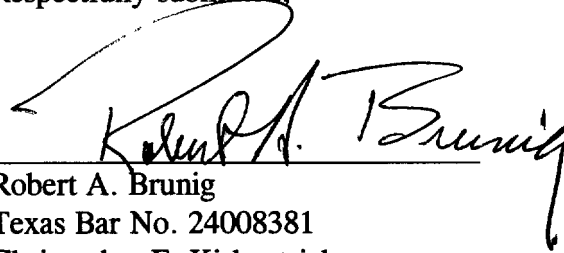
(5) ordering defendants David Shane Lewis, also known as David Kevin Lewis, and Spartan Oil Corporation to disgorge an amount equal to the funds and benefits they obtained illegally as a result of the violations alleged, plus prejudgment interest on that amount;

(6) ordering civil penalties against defendants David Shane Lewis, also known as David Kevin Lewis, and Spartan Oil Corporation pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] for the violations alleged herein; and

(7) ordering such other and further relief as the Court may deem just and proper.

Dated: January 31, 2000

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert A. Brunig", is written over a horizontal line.

Robert A. Brunig
Texas Bar No. 24008381
Christopher E. Kirkpatrick
Texas Bar No. 00791033
Barbara L. Gunn
Texas Bar No. 08620700
Attorneys for Plaintiff
Securities and Exchange Commission
801 Cherry Street, Suite 1900
Fort Worth, Texas 76102
Telephone: (817)978-3821
Facsimile: (817)978-2700