

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72861 / August 18, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16020

In the Matter of

SCOTT ASHTON RIGGS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Scott Ashton Riggs (“Respondent” or “Riggs”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Scott Ashton Riggs (“Riggs”), a resident of Irving, Texas, is the CEO and/or otherwise controls a variety of entities, including Ashton Oilfield Services, LLC (“Ashton Oilfield”)

and Ashton Equipment, LLC (“Ashton Equipment”). Ashton Oilfield served as the general partner of two limited partnerships known as AOS 1-A, L.P. and AOS 1-B, L.P. From 2005 to 2006, Riggs was associated with a Commission-registered broker-dealer, holding Series 22 and 63 licenses.

2. On July 11, 2014, a final judgment was entered by consent against Riggs, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a)(2) of the Securities Act of 1933 and Section 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in a civil action titled *Securities and Exchange Commission v. Scott Ashton Riggs, et al.*, Civil Action Number 3:13-CV-4403, in the United States District Court for the Northern District of Texas. In addition, the final judgment ordered Riggs, Ashton Oilfield, Ashton Equipment, and the two limited partnerships AOS 1-A, L.P. and AOS 1-B, L.P., to pay, on a joint and several basis, disgorgement in the amount of \$12,445,327.33, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$943,697.49. The final judgment further ordered Riggs, Ashton Oilfield, and Ashton Equipment to pay a civil penalty in the amount of \$150,000.

3. The Commission’s Complaint alleged that between December 2007 and May 2011, Riggs, his entities, and two associates raised more than \$12 million from approximately 300 investors nationwide in two fraudulent and unregistered securities offerings. Riggs represented to investors that he was raising funds to buy oil and gas drilling equipment, which would then be leased to exploration and production companies. Returns to investors were to be paid from the leasing of this drilling equipment. The Commission alleged that the offerings were based on a variety of material misrepresentations and omissions of material fact. For example, as alleged in the Complaint, Riggs spent relatively little of the investors’ money to purchase the drilling equipment. Instead, he diverted the majority of investor funds to personal and non-equipment business expenses. According to the Complaint, the squandering of investor funds by Riggs was so extravagant and continuous that more than two and one-half years passed before he purchased a single drilling rig, even though Riggs had raised several times the cost of that rig from investors during that time. Even after leasing that first rig, Riggs failed to pay investors the returns he had promised. Instead, Riggs spent those leasing revenues on personal expenses and on compensating a separate group of investors from one of Riggs’s earlier failed oil and gas offerings.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Riggs’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Riggs be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Riggs be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Jill M. Peterson
Assistant Secretary