

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11190 / May 16, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21427

In the Matter of

CW PETROLEUM CORP.

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) against CW Petroleum Corp. (“CW Petroleum” or “Respondent”).

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 it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings and Imposing a Cease-and-Desist-Order (“Order”), as set forth below.

III.

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

Summary

1. This matter involves CW Petroleum’s failure to comply with Regulation A, which

provides a limited exemption to the registration requirements of the Securities Act for certain public offerings. Specifically, after obtaining qualification to offer a specific number of shares pursuant to Regulation A, CW Petroleum improperly increased the number of shares offered and thereafter offered and sold shares in an offering that was not exempt from registration pursuant to Regulation A. As a result, CW Petroleum offered and sold securities in violation of Sections 5(a) and 5(c) of the Securities Act.

Respondent

2. CW Petroleum is a Wyoming corporation with its principal place of business in Katy, Texas. Its common stock trades on OTC Link whose parent company is OTC Markets Group Inc. CW Petroleum's business is to supply and distribute petroleum-related products.

Facts

3. CW Petroleum offered shares of common stock to investors from February 9, 2021 through approximately February 9, 2022 (the "Offering"). It sold 43,333 shares between March 25, 2021 and May 15, 2021, raising a total of \$32,500. CW Petroleum did not register the Offering with the Commission but instead sought to rely on the limited exemption from registration found in Regulation A.

4. In connection with the Offering, on February 9, 2021, CW Petroleum filed an offering statement on Form 1-A with the Commission, which the Commission qualified on March 15, 2021. Under the qualified offering statement, CW Petroleum proposed to sell up to 25 million shares of unrestricted common stock at a price of between 75 cents and 2 dollars per share, with a fixed price to be set by CW Petroleum before making any sales. CW Petroleum sold no shares between March 15, 2021 and March 25, 2021.

5. On March 25, 2021, CW Petroleum filed an offering circular supplement on Form 253G2 (the "March 25, 2021 Supplement") with the Commission.

6. The March 25, 2021 Supplement increased the number of securities offered from 25 million to 66.7 million and set the price of those shares at 75 cents each. CW Petroleum did not file a new offering statement or post-qualification amendment to obtain qualification for this modified offering, which included an additional 41.7 million shares. Instead, between March 25, 2021 and May 15, 2021, CW Petroleum offered and sold 43,333 shares and raised \$32,500 under the terms of the March 25, 2021 Supplement.

7. An issuer is not permitted to use an offering circular supplement to increase the number of securities offered under Regulation A. Additional securities may be offered only pursuant to a new offering statement or a post-qualification amendment qualified by the Commission. *See* Rules 252(e), 253(b) and Note to Rule 253(b) ("An offering circular supplement may not be used to increase the volume of securities being offered. Additional securities may only be offered pursuant to a new offering statement or post-qualification amendment qualified by the Commission."). Because CW Petroleum increased the number of

securities offered by filing the March 25, 2021 Supplement and did not file a new offering statement or post-qualification amendment that was qualified by the Commission, it offered and sold securities in contravention of the requirement that qualification is a necessary component for Regulation A sales. *See* Rule 251(d)(2). As a result, Regulation A did not apply to the offers and sales made after CW Petroleum's filing of the March 25, 2021 Supplement.

Violations

8. Section 5(a) of the Securities Act prohibits the use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security unless a registration statement is in effect as to such security. Section 5(c) of the Securities Act prohibits the use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy a security unless a registration statement has been filed as to such security.

9. CW Petroleum offered to sell and sold its securities without a registration statement filed or in effect and without a valid exemption from registration. As a result of the conduct described above, CW Petroleum violated Sections 5(a) and 5(c) of the Securities Act.

IV.

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

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act, Respondent CW Petroleum cease and desist from committing or causing any violations and any future violations of Section 5 of the Securities Act.

B. Respondent shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of \$5,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying CW Petroleum as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Katharine Zoladz, Division of Enforcement, Securities and Exchange Commission, Los Angeles Regional Office, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary