

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SECURITIES ACT OF 1933
Release No. 8822/July 6, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 56023/July 6, 2007

ADMINISTRATIVE PROCEEDING
File Nos. 3-12633 and 3-12634

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND IMPOSING
LAWRENCE A. CAMPBELL and	:	SANCTIONS BY DEFAULT AS TO
DONALD J. LAKIN	:	DONALD J. LAKIN
	:	

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) in this matter on May 11, 2007, pursuant to Section 8A of the Securities Act of 1933 (Securities Act) and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (Exchange Act).¹ Lakin was personally served with the OIP, by process server, on May 29, 2007. See 17 C.F.R. § 201.141(a)(i). To date, Lakin has not filed an Answer to the OIP, due twenty days after service. See § 201.220(b); OIP at 3. A prehearing conference was held on June 6, 2007, that Lakin failed to attend.

On June 26, 2007, the Division of Enforcement (Division) filed a Motion for Default, pursuant to Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155. The Division requests that Lakin be ordered to cease and desist from violations of the antifraud provisions and to pay a civil penalty of \$50,000. The Division, additionally, requests disgorgement of ill-gotten gains in the amount of \$374,000, plus prejudgment interest, which the Division calculates to be \$102,549.64 for the time period of April 30, 2003, to June 20, 2007. Lakin, to date, has not filed a response to the Division's motion.

Lakin is in default for failing to file an Answer to the OIP, appear at a prehearing conference, respond to a dispositive motion within the time provided, and otherwise defend the proceeding against him. See 17 C.F.R. §§ 201.155(a), .220(f), .221(f). Accordingly, as

¹ The matter was later consolidated with Lawrence A. Campbell, Admin. Proc. No. 3-12633, on May 21, 2007. By Order of June 7, 2007, the proceeding against Respondent Campbell was stayed, pursuant to Rule 161(c)(2) of the Commission's Rules of Practice.

authorized by Rule 155(a) of the Commission's Rules of Practice, I find the following allegations in the OIP to be true as to Lakin.

FACTS

Lakin, age thirty-nine, resides in Anaheim, California. From at least May 2002 through April 2003, Lakin offered and sold securities issued by Sunrise Energy, Inc. (Sunrise), to approximately twenty to thirty investors. Lakin cold-called hundreds of prospective investors off of commercial "lead lists" and offered them Sunrise securities using high-pressure sales tactics. After Lakin spoke with investors, they received written materials detailing the investments. Lakin sold Sunrise securities out of his own office and employed people through his company, Pacific Resources Group, Inc. (Pacific Resources), who sold Sunrise securities on his behalf. Lakin made material misrepresentations to investors regarding the rates of return that investors would receive. For example, Lakin told investors through his telephone solicitations that they could expect to receive the returns projected in the Sunrise offering materials that ranged from 55% to 106% per year. Sunrise investors, however, never received the promised returns and most Sunrise investors ultimately lost more than 95% of the principal they invested.

Lakin also misrepresented the risk involved in the Sunrise securities. Lakin told investors that their investments involved low risk and were secure. These representations, however, were false as the investments were highly speculative. Lakin did not take any steps to verify the accuracy of the claims he made to investors regarding the low-risk, high-return nature of the securities he was selling. Moreover, Lakin continued to make representations regarding the low-risk, high-return nature of the Sunrise investments even after he learned that investors were receiving minimal payments that were a small fraction of the returns that he told investors to expect.

Lakin received commissions from Sunrise of 40% to 50% of the amounts invested and did not disclose those commissions to investors. From May 2002 to April 2003, Lakin and Pacific Resources received at least \$374,000 in ill-gotten gains from Sunrise bank accounts holding investor funds. Lakin's failure to disclose the exorbitant commissions he received represents a material misstatement or omission.

Lakin acted at least recklessly in connection with his misrepresentations and omissions to investors relating to anticipated returns, risk involved, and commissions paid.

No registration statement was filed with the Commission or was in effect as to the transactions in Sunrise securities. Moreover, the securities issued by Sunrise were not exempt from registration.

Lakin was not a registered broker-dealer nor was he associated with a registered broker-dealer while he sold the Sunrise securities. Moreover, Lakin received transaction-based compensation in connection with his sales of Sunrise securities.

CONCLUSIONS AND SANCTIONS

As a result of his conduct, Lakin willfully violated Securities Act Sections 5(a), 5(c), and 17(a) and Exchange Act Sections 15(a) and 10(b) and Rule 10b-5, thereunder. Accordingly, pursuant to Securities Act Section 8A and Exchange Act Sections 21B and 21C, I conclude it in the public interest that Lakin be ordered to: (1) cease and desist from committing and causing violations and future violations of the antifraud provisions; (2) disgorge \$374,000 in ill-gotten gains, plus prejudgment interest;² and (3) pay a \$50,000 civil penalty.

ORDER

Based on the foregoing:

IT IS ORDERED THAT, pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Exchange Act of 1934, Donald J. Lakin shall CEASE AND DESIST from committing or causing any violations or future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act, and Sections 15(a) and 10(b) of the Exchange Act, and Rule 10b-5, thereunder;

IT IS FURTHER ORDERED THAT, pursuant to Section 8A of the Securities Act of 1933 and Sections 21B and 21C of the Exchange Act of 1934, Donald J. Lakin shall DISGORGE Three Hundred Seventy-Four Thousand Dollars (\$374,000), plus prejudgment interest computed at the rate set forth in Rule 600(b) of the Commission's Rules of Practice, with prejudgment interest beginning to run on May 1, 2003, and continuing to run until the last day of the month preceding the month in which payment of disgorgement is made; and

IT IS FURTHER ORDERED THAT, pursuant to Section 21B of the Exchange Act of 1934, Donald J. Lakin shall pay a CIVIL MONETARY PENALTY in the amount of Fifty Thousand Dollars (\$50,000).

Payment of the civil penalty shall be made by wire transfer, certified check, United States postal money order, bank cashier's check, or bank money order, payable to the Securities and Exchange Commission. The payment, and a cover letter identifying the Respondent and the proceeding designation, shall be delivered to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop O-3, Alexandria, Virginia 22312. A copy of the cover letter and the instrument of payment shall be sent to the Commission's Division of Enforcement, directed to the attention of counsel of record.

Robert G. Mahony
Administrative Law Judge

² Interest will be based on the IRS underpayment rate and compounded quarterly, pursuant to Rule 600(b) of the Commission's Rules of Practice. It accrues on the entire disgorgement amount until it is paid. Edgar B. Alacan, 83 SEC Docket 842, 872 & n.79 (July 6, 2004).