UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74569 / March 24, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16454

In the Matter of

JEFFORY D. SHIELDS,

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 Jeffory D. Shields ("Shields" 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 and III.4 below, and 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. From about January 2010 through August 2011, Respondent, through his company, Geodynamics, Inc., and several other entities under his control, made use of the mails or means or instrumentalities of interstate commerce to induce or attempt to induce the purchase or sale of securities in four oil and gas investments without being registered with the Commission in accordance with Section 15(b) of the Exchange Act or being associated with a registered broker or dealer. During the period at issue, Shields resided in Larkspur, Colorado.

2. On March 16, 2015, a final judgment was entered by consent against Shields, permanently enjoining him from future violations of Sections 5(a) and (c) and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Shields, et al., Civil Action Number 11-cv-02121-REB-MJW, in the United States District Court for the District of Colorado.

3. The Commission’s complaint alleged that from about January 2010 through August 2011, when inducing or attempting to induce the purchase or sale of securities in four oil and gas investments, Shields made materially false and misleading statements to them regarding, among other things, the purported uses of investor funds and the expected rates of return. The Complaint further alleged that Shields misappropriated and misused investor proceeds, and otherwise engaged in a variety of conduct which operated as a fraud or deceit on investors. The Complaint further alleged that Shields, in telephonic conference calls, misrepresented operational status and amounts spent on drilling.

4. On June 5, 2014, Shields entered a plea of guilty to three counts of felony securities fraud in violation Colorado law, before the Douglas County District Court of Colorado, in People of the State of Colorado v. Jeffory Shields, Case No. 12-cr-262. On August 15, 2014, a judgment in the criminal case was entered against Shields. He was sentenced to a prison term of six years followed by five years of parole and ordered to make restitution in the amount of $4,613,124.97.

5. The counts of the criminal indictment to which Shields pled guilty alleged, inter alia, that Shields defrauded investors in connection with the offer or sale of securities by unlawfully, feloniously, and knowingly engaging in a course of business which operated as a fraud or deceit.

IV.

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

Accordingly, it is hereby ORDERED:
Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Shields 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

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.

Brent J. Fields
Secretary