

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. BOX 47029
NEWARK, NEW JERSEY 07101
(973) 504-3600

SUMMARY ORDER FOR
MONETARY PENALTIES AND
TO CEASE AND DESIST

IN THE MATTER OF :
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 Joseph K. Foley :
 and Fuel Stabilizer Engineering LLC :
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 :
 Respondents. :

Pursuant to the authority granted to Laura H. Posner, Chief of the New Jersey Bureau of Securities (“Bureau”), by the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:37-47 et seq., (“Law”), more specifically N.J.S.A. 49:3-56, 49:3-67, and 49:3-69, and after careful review and due consideration of the facts set forth below, the Bureau Chief has determined that civil monetary penalties and a cease and desist order should be issued against Joseph Foley for the reasons that follow.

FINDINGS OF FACT

1. Joseph Foley (“Foley”) resides in New Jersey and is the President of Fuel Stabilizer Engineering LLC (“Fuel Stabilizer”).
2. Foley has never been registered with the Bureau in any capacity.
3. Fuel Stabilizer is a formerly New Jersey registered corporation that is organized to market a fuel stabilizer device, which Foley asserts reduces heating fuel costs by improving the efficiency of heating oil boilers.

4. Fuel Stabilizer's corporate status was revoked by the New Jersey Department of Treasury on May 16, 2008 for its failure to pay its annual report filing fees to the New Jersey Secretary of State.
5. From May 16, 2008 through the present, Fuel Stabilizer continued operations despite its revoked status.
6. Fuel Stabilizer has never been registered with the Bureau in any capacity.
7. Foley sold fuel stabilizer devices to two school districts in northern New Jersey in or around September-December 2008.
8. Foley raised at least \$179,654 for Fuel Stabilizer from investors. \$162,620 of the money he raised was from New Jersey investors.
9. In or around October 2013, the Bureau learned that, since 2007, Foley was soliciting investors to raise money to support Fuel Stabilizer's purported potential nationwide marketing campaign.
10. In or around September 2013, Foley posted an advertisement on the New Jersey portion of the website, www.craigslist.com ("Craigslist"), a classified advertisement media site.
11. In that advertisement, Foley sought to raise \$16 million dollars in capital and asked investors to contribute a minimum of \$1 million dollars minimum investment towards this goal. Foley's Craigslist posting stated, in part, that, "You [Investors] will receive 5-10% of the profits. This will generate over \$10 million a year for you. I have the paperwork to back up this statement."
12. The general solicitation advertisement on Craigslist stated that the device has been "PROVEN" to reduce fuel costs by 10 percent for two school districts in Northern New Jersey.

13. Sometime thereafter, Foley posted a second advertisement on Craigslist.
14. In this advertisement, Foley again seeks to raise \$16 million dollars in capital and writes, “[i]f you provide the full \$16 million needed, you will receive \$10 million a year for five consecutive years. I have the paperwork to back up this statement.”
15. Additionally, the advertisement states that “[t]his PROVEN fuel saving device has been working on the boilers of two school districts in northern NJ for the past three heating seasons. They have both reduced their heating fuel costs ten percent.”
16. This second advertisement is still active on the Craigslist website.
17. Both of Foley’s Craigslist’s advertisements include materially false and misleading statements and/or omitted material facts to investors, including but not limited to the following:
 - a. The stabilizer device reduces heating fuel costs ten percent; and
 - b. The stabilizer device is a proven fossil fuel saving device.

CONCLUSIONS OF LAW

18. The investments offered by Foley are securities, as defined by N.J.S.A. 49:3-49(m).
19. Foley is not registered with the Bureau as an agent to offer or sell securities, in violation of N.J.S.A. 49:3-56(a).
20. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably necessary to carry out the provisions of the Law.
21. N.J.S.A. 49:3-69(a)(l) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

22. Foley's actions are continuous and ongoing, therefore making a cease and desist an appropriate remedy.

23. By the conduct detailed above, Foley made materially false and misleading statements and/or omitted material facts to investors, in connection with the offer and sale of securities, in violation of N.J.S.A. 49:3-52(b).

24. Foley's violations of the law are also cause for the imposition of a civil monetary penalty under N.J.S.A. 49:3-70.1.

THEREFORE, it is on this day of August 22, 2014 hereby

ORDERED that Foley and Fuel Stabilizer shall CEASE AND DESIST from violating the Uniform Securities Law.

ORDERED that Foley and Fuel Stabilizer, jointly and severally, are hereby assessed a civil monetary penalty in the amount of \$20,000;

ORDERED, that Foley and Fuel Stabilizer are denied all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b);

ORDERED that the exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby revoked as to Foley and Fuel Stabilizer; and

FURTHER ORDERED that Foley shall solicit no security within the scope of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., unless Fuel Stabilizer registers, is exempted from registration, or notice files with the Bureau of Securities.

By: 
Laura H. Posner
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(I) the Bureau Chief shall entertain on no less than three days notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard and the order shall be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47, provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of this Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.