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STATE OF NEW JERSEY
OFFICE OF ADMINISTRATIVE LAW
OAL Docket No.: BOS 11837-2014 N

: IN THE MATTER OF :
: ^{JF} :
: JOSEPH ~~K.~~ FOLEY and FUEL STABILIZER :
: ENGINEERING LLC :
: _____ :
: **ADMINISTRATIVE CONSENT ORDER** :

*July 13,
2015*

This matter was commenced on August 22, 2014, through the entry of a Summary Order for Monetary Penalties and to Cease and Desist (“Summary Order”) by the Chief of the New Jersey Bureau of Securities, Laura H. Posner (“Bureau Chief”), against Respondent Joseph Foley (“Foley” or “Respondent Foley”), and Fuel Stabilizer Engineering LLC (“FSE” or “Respondent FSE”), setting forth violations of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (“Securities Law”), ordering Respondents Foley and FSE to cease and desist from violating the Securities Law; assessing Respondents Foley and FSE, jointly and severally, a civil monetary penalty in the amount of \$20,000 for violations of N.J.S.A. 49:3-56(a) and N.J.S.A. 49:3-52(b); denying Respondents Foley and FSE all exemptions in N.J.S.A. 49:3-50 subsection (a) paragraphs 9, 10 and 11 and subsection (b); and revoking as to Respondents Foley and FSE

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).

In response to the Summary Order, Respondents Foley and FSE submitted to the New Jersey Bureau of Securities (“Bureau”) a written answer to the Summary Order and a written request for a hearing. The Bureau transmitted this contested case to the Office of Administrative Law (“OAL”) September 15, 2015.

The Bureau Chief hereby finds that there is good cause, it is in the public interest, and it will preserve resources, to settle this matter. Respondents Foley and FSE also desire to settle with the Bureau. Accordingly, the Bureau and Respondents Foley and FSE hereby agree to settle this matter under the full terms of settlement in this Administrative Consent Order (“Consent Order”) pursuant to N.J.A.C. 1:1-19.1. Respondents Foley and FSE consent to entry of this Consent Order, voluntarily waive an opportunity for a hearing after reasonable notice within the meaning of N.J.S.A. 49:3-69(a)(1)(i) and (ii), and waive any rights to seek judicial review, or otherwise challenge or contest, the validity of this Consent Order.

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Respondent Foley, a resident of New Jersey, and FSE, a New Jersey limited liability corporation, were never registered with the Bureau in any capacity.
2. At all relevant times, Foley was the President and a member of FSE, which is organized to market and sell fossil fuel stabilizer devices (“Devices”).
3. On or about May 16, 2008, the New Jersey Department of Treasury revoked FSE’s corporate status for its failure to pay its annual report filing fee to the New Jersey

Secretary of State. Notwithstanding the revocation of its status, Foley continued the operations of FSE.

4. During the pendency of this matter, Foley caused to be paid to the State of New Jersey FSE's annual report filing fee arrearages. The State of New Jersey subsequently restored FSE's corporate status on December 17, 2014.

2007 Through the Issuance of the Bureau's Summary Order on August 22, 2014

5. In or around 2007 until 2011, Foley offered and sold securities in FSE to at least one New Jersey investor to purportedly raise funds to market and sell the Devices.

6. In or around 2008 until 2009, Foley and FSE sold the Devices to two purchasers, a township board of education ("Board of Education") and a county technical and vocational high school ("High School"), each situate in the State of New Jersey. The Board of Education and High School purchased the Devices to reduce their heating costs and installed the Devices on their boilers.

7. Foley and FSE represented to the Board of Education and High School that the Devices were "proven" fossil fuel devices that reduced each purchaser's heating fuel costs.

8. The Board of Education did not experience a reduction in its heating fuel costs.

9. In or around September 2013, through the issuance of the Summary Order on August 22, 2014 ("Relevant Period 1"), Foley offered to sell securities in FSE to investors in New Jersey for the purported purpose of manufacturing, marketing and selling the Devices.

10. During Relevant Period 1, the offers to sell securities were made by posting them in the New Jersey section of a classified website, Craigslist ("Craigslist Ad" or collectively "Craigslist Ads"), at www.craigslist.com.

11. The securities offered for sale in the Craigslist Ads of Relevant Period 1 were not registered with the Bureau, were not exempt from registration nor were federally covered securities.

12. During Relevant Period 1, Foley drafted and posted on multiple occasions Craigslist Ads offering to sell securities to investors and seeking, among other things, investments totaling \$16,000,000 and promising returns of 5% to 10% of the profits that would generate over \$10,000,000 a year for investors who invested the entire funds sought.

13. Foley made material misrepresentations and omissions of material facts regarding the Devices in the Craigslist Ads posted in Relevant Period 1. Among other things, Foley falsely stated that the Devices were “proven” fossil fuel devices that reduced the heating fuel costs for “both” “school districts.”

14. The Bureau issued its Summary Order on August 22, 2014. The Summary Order ordered, in part, that Foley and FSE cease and desist from the violating the Securities Law.

August 22, 2014 through May 2015

15. Between August 22, 2014, the date of the issuance of the Summary Order, and May 2015, Foley continued to draft and post multiple offers to sell securities in the New Jersey section of Craigslist (“Relevant Period 2”), in violation of the Summary Order.

16. In Relevant Period 2, Foley drafted and posted multiple Craigslist Ads offering to sell securities that were similar to the Craigslist Ads posted in Relevant Period 1.

17. Craigslist Ads posted during Relevant Period 2 sought investments totaling \$16,000,000, and promised returns of 15% to 20% or \$10,000,000 for five consecutive years.

18. The securities offered for sale in the Craigslist Ads of Relevant Period 2 were not registered with the Bureau nor exempt from registration.

19. Foley made material misrepresentations and omissions of material facts regarding the Devices in Craigslist Ads posted in Relevant Period 2. Among other things, Foley falsely stated that the Devices were “proven” fossil fuel devices that reduced the heating fuel costs of “both” “school districts.”

CONCLUSIONS OF LAW

20. The investments offered by Respondent Foley are securities, as defined in N.J.S.A. 49:3-49(m).

21. Respondent Foley has never been registered with the Bureau as an agent to offer or sell securities, in violation of N.J.S.A. 49:3-56(a).

22. Foley violated N.J.S.A. 49:3-56(a) which requires, among other things, that only persons properly registered with the Bureau may lawfully act as agents.

23. Each Craigslist Ad was a general solicitation for the offer and/or sale of securities.

24. Each offer to sell is a separate violation of N.J.S.A. 49:3-56(a) and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

25. Foley made materially false and misleading statements and/or omitted material facts to investors, in connection with the offer and/or sale of securities, in violation of N.J.S.A. 49:3-52(b). Each offer to sell is a separate violation of N.J.S.A. 49:3-52(b), and cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

26. During Relevant Period 2, Foley willfully failed to comply with the Securities Law and thereby violated the Bureau’s Summary Order.

THEREFORE, IT IS on this 13th day of JULY 2015, **ORDERED AND AGREED:**

27. Respondents Foley and FSE shall cease and desist from future violations of the Securities Law or any regulation or order under the Securities Law.

U.F.
July 13, 2015

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28. Respondents Foley and FSE shall cease and desist from engaging in the conduct described in the Bureau Chief's findings of fact and conclusions of law.

29. Foley and FSE are denied all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraphs 9, 10 and 11 and subsection (b).

30. 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 FSE.

31. Respondents Foley and FSE are assessed, jointly and severally, civil monetary penalties in the amount of Twenty Thousand Dollars (\$20,000) pursuant to N.J.S.A. 49:3-70.1. The civil monetary penalties of Twenty Thousand Dollars (\$20,000) will be suspended and not collected provided that Foley and FSE do not engage in the conduct described in the Findings of Fact and the terms and conditions of this Consent Order in this matter are adhered to by Foley and FSE. Nothing contained herein shall in any manner be construed to limit or affect any position that the Bureau or any other governmental agency may take in any future or pending action not specifically encompassed herein.

32. The Bureau Chief is entering into this Consent Order with Respondents Foley and FSE in reliance upon Foley's statements and representations: (i) concerning his personal finances; and (ii) that he ceased making offers to sell securities in May 2015 and will not directly or indirectly attempt to offer to sell securities or effect transactions in securities from or within New Jersey or otherwise violate the Securities Law. If Foley and/or FSE directly or indirectly engage in the conduct described in the Finding of Fact of this Consent Order, the Bureau will notify Foley and FSE in writing of any such violation and declare that the Twenty Thousand Dollars (\$20,000) joint and several civil monetary penalties are immediately due and owing. The Bureau Chief may take such other action as permitted by law.

33. If the Bureau determines at any time that any of Foley's statements and/or representations, whether sworn or unsworn, were untrue, incomplete, inaccurate and/or were false or misleading, the Bureau Chief may enter a summary order reinstating the full Twenty Thousand Dollars (\$20,000) civil monetary penalties against Foley and FSE, jointly and severally. In that event, Respondents Foley and FSE shall not assert any defenses other than those that address the truthfulness, completeness, accuracy and/or falsity of Foley's statements and/or representations concerning his finances.

ADDITIONAL PROVISIONS

34. This Consent Order shall supersede the Summary Order.

35. By the signatures below, Foley and FSE represent that they have had a full and complete opportunity to consult with counsel prior to signing this Consent Order and understand that they have been urged by the settlement Administrative Law Judge Robert J. Giordano to seek legal counsel before signing this Consent Order. Respondents, on their own accord, have voluntarily signed this Consent Order.

36. Nothing in this Consent Order shall limit or affect the rights of any persons, other than the Bureau as it relates to the findings of fact and conclusions of law, who may have a claim against Respondents or any individual or entity involved in underlying facts of this matter.

37. Foley and FSE consent to the jurisdiction of the Bureau.

38. Foley and FSE agree that for purposes of this matter or future proceedings to enforce this Consent Order that this Consent Order shall have the same effect as if proven and ordered after a full hearing pursuant to N.J.S.A. 52:14B-1 et seq.

39. New Jersey law shall govern this Consent Order and enforcement thereof.

40. This Consent Order shall not bind any person not a party hereto, except as provided herein.

41. Respondents have fully read this Consent Order, understand it, and agree to be bound by its terms.

42. This Consent Order is fully integrated and contains the entire settlement terms between Foley, FSE and the Bureau. No employee, attorney, official or representative of the Bureau or the State of New Jersey has made any additional promise or representation to Foley regarding this Consent Order.

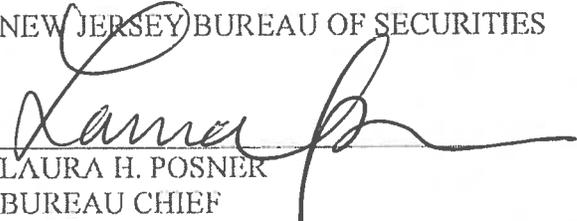
43. Pursuant to N.J.A.C. 1:1-19.1(d), this Consent Order shall be deemed the final decision as to Respondents Foley and FSE.

44. Respondents Foley and FSE consent to the entry of this Consent Order and voluntarily waive an opportunity for a hearing after reasonable notice within the meaning of N.J.S.A. 49:3-69(a)(1)(i) and (ii). Foley and FSE also voluntarily waive any right to assert any defenses or to raise any challenge that he or it otherwise may have had to this Consent Order.

45. This Consent Order may be signed in counterparts and/or by facsimile, each of which shall be deemed an original.

46. This Consent Order is to be filed with the Clerk of the Office of Administrative Law, as required by N.J.A.C. 1:1-19.1(c)(2), as soon as practicable after it is executed.

NEW JERSEY BUREAU OF SECURITIES


LAURA H. POSNER
BUREAU CHIEF

Consent to the Form, Content and Entry
of this Administrative Consent Order

Respondent Joseph Foley

By: Joseph Foley
Joseph Foley, Pro Se
PO Box 42
Columbia, NJ 07832

Dated: July 13, 2015

Respondent Fuel Stabilizer Engineering LLC

By: Joseph Foley
Joseph Foley, President
Fuel Stabilizer Engineering LLC

Dated: July 13, 2015

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: Patrice Smiley Andrews
Patrice Smiley Andrews
Deputy Attorney General
Attorney ID No. 025701978

Dated: July 13, 2015