

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

<b>IN THE MATTER OF:</b>	*	CASE NO. 2003-0792
BERNARD L. SIMON	*	
and	*	
AMERICAN HIGH TECHNOLOGY CENTER, INC.	*	
and		
Kalimantan Mining, LLC	*	
Respondents.	*	
	*      *      *	

**CONSENT ORDER**

WHEREAS, the Securities Division of the Office of the Attorney General (the "Division") initiated an investigation into the activities of Bernard L. Simon and his companies, including American High Technology Center, Inc. ("AHTC") and Kalimantan Mining, LLC ("KM") (collectively, with Simon, the "Respondents"), and Clean Water, LLC ("CW") (collectively, the "Companies"); and

WHEREAS, the Maryland Securities Commissioner (the "Securities Commissioner") has found that grounds exist to allege that Respondents violated the Maryland Securities Act, contained at Md. Ann. Code, Corps. and Ass'ns, §§11-101 *et seq.* (1999 Repl. Vol. & Supp. 2006) (the "Securities Act"), by engaging in acts or practices constituting violations of the Securities Act; and

WHEREAS, before the holding of a hearing, without trial or final adjudication of any issue

of fact or law, and prior to the issuance of a final order in this proceeding, the Securities Commissioner and Respondents have reached an agreement whereby Respondents, without admitting or denying the Statement of Facts and Findings of Fact and Conclusions of Law contained at pp. 3-5 herein, consent to the terms of this Order:

**I.**

**JURISDICTION**

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 11-701 of the Securities Act.

**II.**

**RESPONDENTS**

2. Respondent Simon, at all times relevant to the facts contained in this Order, has been a Maryland resident.

3. Simon is not now, nor has he ever been registered in Maryland as an issuer agent, investment adviser or investment adviser representative. Nor has Simon ever been registered in Maryland or with the National Association of Securities Dealers, Inc. to sell securities.

4. Respondent's company, CW, was a limited liability company formed in Maryland in August 2000. CW is no longer an active Maryland limited liability company, its charter having been forfeited on October 7, 2003.

5. Respondent's company, Respondent AHTC, was incorporated in Delaware in January 2003. AHTC is an active Delaware corporation.

6. Respondent's company, Respondent KM, is a limited liability company formed in Delaware in January 2003. KM is an active Delaware limited liability company.

7. Respondent was an owner and operator of each of the Companies and remains so as to Respondents AHTC and KM. Each of the Companies' principal offices are (or as to CW were) located in Silver Spring, Maryland.

### **III.**

#### **STATEMENT OF FACTS**

8. Simon, a Montgomery County resident, offered and sold investments in the Companies to Maryland resident Norman Miller, D.D.S. (now deceased).

9. Simon did not provide Dr. Miller with any disclosure materials before and/or contemporaneous with the time of his investment in the Companies. Simon, for example, did not provide Dr. Miller with any prospectus or similar disclosure document.

10. Simon did not obtain any suitability information from Dr. Miller prior to accepting monies for investment in the Companies. Simon, for example, did not require that Dr. Miller complete any subscription agreement, or any suitability questionnaire.

11. After Dr. Miller invested monies in the Companies, Simon failed to provide him with any accounting of his investment. The investor received no monthly statements or other regular documentation regarding the use of the monies or the status of the investments.

12. In April 2003, at the urging of the Maryland investor's wife, Simon provided Dr. Miller with documentation verifying that he had "invested" at least \$37,378 "cash" in AHTC, CW and KM (the "April 2003 correspondence").

13. In Simon's April 2003 correspondence, Simon provided written guarantees to Dr. Miller that he had a specified percentage interest in each of the companies, AHTC, CW and KM.

14. In Simon's April 2003 correspondence, Simon falsely represented to Dr. Miller that AHTC was the "co-developer, patent owner, and business developer" of certain technologies, including the "Plasma Energy Pyrolysis System" ("PEPS"). PEPS, however, was owned and developed by Vanguard Research, Incorporated ("Vanguard Research"), a separate company that merely hired Simon and AHTC to market its technology overseas in return for a monthly stipend and potential commissions. Ultimately, Simon did not effect one sale of PEPS to any third party on behalf of Vanguard Research.

15. In Simon's April 2003 correspondence, Simon made extraordinary claims to Dr. Miller regarding his investments with Simon. For example, Simon claimed that KM's "saleable [sic] mining material, according to expert estimation is about \$13,000,000,000 USD" and that the company is partly owned by the "Government of Ketapang Region, Indonesia."

16. The Securities Division obtained bank records reflecting that Simon deposited approximately \$20,000 of Dr. Miller's investment monies into his personal account at Wachovia Bank.

17. The Securities Division obtained bank records reflecting that Simon deposited approximately \$20,000 of Dr. Miller's investment monies into a bank account in the name of AHTC.

18. The Division has no record of an application for securities registration or claim of exemption from registration or claim of preemption as a federal covered security under the name "American High Technology Center, Inc." "Clean Water, LLC" or "Kalimantan Mining, LLC" or any substantially similar names.

**IV.**

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

19. In connection with the facts described in the Statement Of Facts contained herein as they pertain to Dr. Miller's investments with Respondents, as to which along with these Findings Of Fact And Conclusions Of Law Respondents neither admit nor deny, Respondents violated §§11-301, 11-302, 11-401 and 11-501 of the Maryland Securities Act.

**V.**

**CONSENT TO CEASE AND DESIST  
AND OTHER RELIEF**

20. NOW, THEREFORE, IT IS HEREBY **ORDERED**, and Respondents expressly consent and agree that:

a. In lieu of the payment of a fine, Respondents shall pay \$20,000 in restitution for the benefit of Eunice Miller (widow of the now-deceased Dr. Norman Miller) ("Ms. Miller"). That \$20,000 shall be paid contemporaneous with the issuance of this Order by way of a cashier's check made payable to "Office of the Attorney General." The proceeds of that check shall be used by the Securities Division to pay restitution to the Estate of Dr. Norman Miller and Ms. Miller. Before the payment will be made by the Securities Division, the Estate and Ms. Miller must agree to a standard release of all claims arising out of this matter in favor of Respondents.

b. Respondents shall cease and desist from engaging in activities in violation of the Securities Act.

c. Respondent Simon, as a control person, principal or owner, shall not, for a period of ten years, apply for broker-dealer or broker-dealer agent or investment adviser or investment adviser representative registration in Maryland, or with the NASD, nor act as a broker-dealer, broker-dealer agent, or investment adviser or investment adviser representative in this State.

d. Respondents AHTC and KM, as control persons, principals or owners, shall not, for a period of ten years, apply for broker-dealer or investment adviser registration in Maryland, or with the NASD, nor act as a broker-dealer or investment adviser in this State.

e. Respondents shall not otherwise engage in the offer and/or sale of securities in or from Maryland without first seeking and relying upon the advice of experienced securities counsel.

f. Respondents shall in all future activities in Maryland comply with the Securities Act.

## **VI.**

### **SCOPE OF SETTLEMENT**

21. This Consent Order relates only to the Securities Commissioner and Respondents in connection with the offer and sale of investments to Dr. Miller. This Consent Order does not waive or relinquish the Securities Commissioner's right to take any action against any other persons not named as a respondent in this Order. Nor does this Consent Order prevent the Securities Commissioner from bringing any action against Respondents relating to any acts or omissions not specifically raised in this Consent Order.

## **VII.**

### **JURISDICTION RETAINED**

22. Jurisdiction shall be retained by the Securities Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of the Consent Order.

23. If Respondents fail to comply with any term of this Consent Order, the Securities Commissioner may institute administrative or judicial proceedings against Respondents to seek to enforce this Consent Order, to sanction Respondents for violating an Order of the Securities Commissioner or for making a misrepresentation of material fact upon which this Order was

based, and may take any other action authorized under the Securities Act or under any other applicable law, including the issuance of fines or penalties as provided by the Securities Act. In any such proceeding in which, after an opportunity for a hearing, the Securities Commissioner or the court finds that Respondents have violated this Consent Order or made any material misrepresentations in their dealings with the Division, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Statement of Facts and violations of the Securities Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against Respondents.

24. In the event that judicial intervention in this matter is sought by the Securities Commissioner or Respondents, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to §11-702 of the Securities Act. Respondents agree that that Court will have personal jurisdiction over Respondents, and that venue will be properly in that Court.

25. The terms of this Consent Order may only be vacated or modified by a subsequent order issued by the Securities Commissioner.

**DATE OF THIS ORDER:**

Sept. 5, 2007

**SO ORDERED:**

S/

Melanie Senter Lubin  
Securities Commissioner

**CONSENTED TO:**

Aug. 29, 2007

/S/

Bernard L. Simon, Individually and on  
behalf of American High Technology  
Center, Inc. and Kalimantan Mining, LLC

On this \_\_\_\_\_ day of \_\_\_\_\_, 2007, personally appeared Bernard L.

Simon, signer of the foregoing Consent Order, who did duly acknowledge his signature to be his free act and deed, and that he was authorized to sign on behalf of American High Technology Center, Inc. and Kalimantan Mining, LLC.

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Notary Public  
My Commission Expires: \_\_\_\_\_  
Seal: