

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
SUNRISE ENERGY, INC., d/b/a BLUE MARLIN ENERGY, INC.,
SHEA C. SILVA, and
DONALD LAKIN,

PETITION FOR ORDER

Respondents.

File No. S-04113(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement, has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Sunrise Energy, Inc., d/b/a Blue Marlin Energy, Inc., ("Sunrise Energy") is a Nevada Corporation with a last known business address of 3972 Barranca Parkway, Irvine, California 92606;
2. Shea C. Silva ("Silva") is an individual with a CRD number of 11019083, who at all times material hereto has been the president and sole shareholder of Sunrise Energy, with a last known business address at that of Sunrise Energy;
3. Donald Lakin ("Lakin") is an individual who at all times material hereto has been an agent of Sunrise Energy and Silva, with a last known business address at that of Sunrise Energy;
4. Upon information and belief, during the period of 2002, Lakin, on behalf of Sunrise Energy and Silva, offered and sold to at least one person in Wisconsin interests in East Texas Woodbine Field Production Enhancement Project #3, an oil and gas well venture of Sunrise Energy;
5. Upon information and belief, investors can play a passive role in the venture with no duties and responsibilities;
6. Upon information and belief, each investor will not be involved in the day-to-day management of the venture, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties;
7. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the investments offered and sold by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;
8. The Sunrise Energy investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
9. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to a person in Wisconsin;

10. In connection with the offer and sale of the securities described above, Lakin transacted business in Wisconsin as an "agent" for Sunrise Energy and Silva, as that term is defined by sec. 551.02(2), Wis. Stats.;

11. At no time has Lakin been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

12. Lakin has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;

13. Sunrise Energy and Silva have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;

14. The staff of the Bureau of Registration & Enforcement received a letter dated April 20, 2004, from Energy 2000, Inc. which stated, in part, that "... Over a period of several years Energy 2000, Inc. sold to Sunrise Energy working interest in several of Energy 2000, Inc.'s properties. In August 2003, Sunrise Energy informed Energy 2000, Inc. that it was 'going out of business,' at which time Energy 2000, Inc. agreed to become the manager of Sunrise Energy's investors because Energy 2000, Inc. as owner and operator felt it should attempt to provide the investors with a viable investment, if possible. ... Energy 2000, Inc. discovered that Sunrise Energy oversold on the working interest or has not paid Energy 2000, Inc for the working interest Sunrise Energy bought/sold to investors. ... Energy 2000, Inc. believes that Sunrise Energy under the ownership of Shea Silva frauded its investors and embezzled their money and Energy 2000, Inc. is in the process of gathering information in order to file a lawsuit against Sunrise Energy d/b/a Blue Marlin Energy and Shea Silva on behalf of itself and the investors. ..." and

15. The staff of the Bureau of Registration & Enforcement wrote to Silva requesting information and documents concerning the securities-related transactions of Sunrise Energy with persons in Wisconsin but to date have not received the information and documents, despite the due date for a response having passed.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.


Mark E. Dorman _____ Date
Examiner


David A. Cohen _____ Date
Supervising Attorney