

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63734 / January 19, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14198

In the Matter of

DALE J. ENGELHARDT,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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 Dale J. Engelhardt (“Respondent” or “Engelhardt”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From at least October 2008 through January 2009, Engelhardt was a member of the sales staff of Kensington Resources, Inc. (“Kensington”), an entity through which Engelhardt and others solicited investors in American Environmental Energy, Inc. (“AEEI”), the purported “green energy” company to which investor funds were to be sent. Engelhardt was not registered with the Commission at the time he engaged in the conduct underlying the complaint described below. Engelhardt participated in an offering of AEEI stock, which is a penny stock. Engelhardt, 46 years old, is a resident of San Clemente, California.

2. On July 29, 1998, Engelhardt was named as a defendant in *SEC v. Environmental Energy, Inc.*, Case No. 2:98-cv-006060 (C.D. Cal.). Engelhardt was charged with violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. On August 12, 1999, without admitting or denying the allegations in the Commission’s complaint, Engelhardt was permanently enjoined from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. On August 18, 1999, the Commission instituted a public administrative proceeding pursuant to Sections 15(b) and 19(h) of the Exchange Act against Engelhardt. To settle this proceeding, Engelhardt agreed, without admitting or denying the findings therein, to consent to an order suspending him from association with any broker or dealer for a period of 12 months.

B. ENTRY OF THE INJUNCTION

3. On December 29, 2010, a judgment of permanent injunction and other relief was entered against Engelhardt, permanently enjoining him from future violations of Sections 5(a) and 5(c) of the Securities Act, and Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Joseph R. Porche, et al., Civil Action Number SACV10-01165, in the United States District Court for the Central District of California.

4. The Commission’s complaint alleged that Engelhardt, a sales agent for Kensington, participated in an unregistered offering of AEEI stock, in which Kensington raised over \$11 million from approximately 200 investors nationwide. The complaint also alleged that Engelhardt received commissions for his sales of AEEI stock and was not registered with the Commission at the time of these sales.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission’s Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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