



STATE OF NEW MEXICO

REGULATION AND LICENSING DEPARTMENT

SECURITIES DIVISION

IN THE MATTER OF)	Case No. 19-08-30
)	
AURORATEK, INC.,)	
WILLIAM STEPHAN ALEK, and)	PRELIMINARY ORDER TO CEASE
AURORA ELLEGION LIGHT)	AND DESIST AND NOTICE OF
)	RIGHT TO HEARING
Respondents)	
_____)	

**PRELIMINARY ORDER TO CEASE AND DESIST
AND NOTICE OF RIGHT TO HEARING**

I. STATEMENT OF APPLICABLE LAW

Pursuant to the authority granted by the New Mexico Uniform Securities Act (the “Act”) in NMSA 1978, § 58-13C-602, the Director of the New Mexico Securities Division (the “Director”), through the Securities Enforcement Bureau, has conducted a preliminary investigation into the activities of Respondents AuroraTek, Incorporated (“Respondent AuroraTek”), William Stephan Alek (“Respondent Alek”), and Aurora Ellegion, also known as Aurora Light (“Respondent Light”), to determine if the Respondents have engaged in, or are about to engage in, any act, practice or course of business that constitutes a violation of NMSA 1978, §§ 58-13C-301, 402, and 501, or any rule or order adopted thereunder.

II. JURISDICTION

The Director has subject matter jurisdiction to proceed under NMSA 1978, §§ 58-13C-301, 401, and 501 as this case involves the offer and sale of securities as that term is defined in NMSA 1978, § 58-13C-102(DD). Likewise, the Director has personal jurisdiction over Respondents pursuant to NMSA 1978, § 58-13C-610.

III. RESPONDENTS

1. Respondent AuroraTek is a Nevada Corporation with its last known address at 10645 N. Tatum Boulevard, Suite C200-436 Phoenix, Arizona 85028. At all times relevant to this proceeding, shares of AuroraTek stock were offered and/or sold in the state of New Mexico.

2. Respondent Alek is the President, Treasurer, Chief Executive Officer, Chief Technology Officer, and a director of AuroraTek with addresses at 10645 N. Tatum Boulevard, Suite C200-436 Phoenix, Arizona 85028 and 11474 East Carol Way, Scottsdale, AZ 85259. At all times relevant to this proceeding, Respondent Alek offered and/or sold securities in the state of New Mexico. Respondent Alek is the control person for Respondent AuroraTek, Inc.

3. Respondent Aurora Ellegion, also known as Aurora Light ("Light") is the Secretary and the Vice President for Investor Relations and Sales for AuroraTek with addresses of 10645 N. Tatum Boulevard, Suite C200-436 Phoenix, Arizona 85028 and 11474 East Carol Way, Scottsdale, AZ 85259. At all times relevant to this proceeding, Respondent Ellegion offered and/or sold securities in the state of New Mexico.

IV. GENERAL ALLEGATIONS

AuroraTek Website

4. At all times relevant to this proceeding, Respondent AuroraTek operated and continues to operate the Internet website www.auroratek.us (the "Website"). A review of the Website shows a link to an "Investment" page. The Investment page contains documents entitled: Nevada Articles of Incorporation, Investment, Investor Information, Fast Pitch, Finder's Fee Agreement, and a Private Stock Purchase Agreement, among other documents.

5. The Articles of Incorporation found on the AuroraTek Investment webpage shows that Respondent Alek incorporated AuroraTek in Nevada on or about November 25, 2013. The Website names Respondents Alek and Light as the directors of AuroraTek.

6. On the homepage, the company boasts of having "Simply the MOST Transformational Technology on Planet Earth." The "Investment" page invites the reader to invest in a "Golden Age Technology Company" because "AuroraTek Offers an Investment Opportunity that NO Other Company Offers" and further represents that "AuroraTek has Discovered and Pioneered Access to Clean, Bio-Friendly and Infinite Source of NEW Energy." The Investment page also states that "AuroraTek's Investors Includes [*sic*] Physicists, Engineers, Patent Attorneys, and Other Forward Thinking People." Readers are then invited to download the company's "Fast Pitch Presentation."

7. The "Products" page of the Website represents that AuroraTek has the following products:

Fast Grow Hemp Technology, to enhance hemp growth and production

Vitality Pad, to reduce pain and fatigue

Water Restructuring System, to improve water absorption

Bioenergy Disks, for "Electromagnetic Dampening Fields"

GoPowerUp, "Free Energy / Overunity Technology"

(Future Development)

ARV Anti-Gravity, "Inertial/Gravitational Mass Modification"

Warp Drive Engines, "Asymmetric Vacuum Polarization Technology"

8. The Fast Pitch Presentation found on the AuroraTek investment webpage is approximately 16 pages in length. Page three of this document states that AuroraTek has raised over \$500,000 in "Seed Capital Invested" since 2013. Page 4 of the AuroraTek Fast Pitch states that the company distributed 1,000,000 shares of stock valued at \$1 per share, allowing AuroraTek to raise up to \$1,000,000 in cash for development. The document also suggests that 800,000/2,000,000 shares of AuroraTek stock—or 40% of the company—is available for sale to investors. According to the document, Respondent Alek owns 29.75% of AuroraTek and Respondent Light owns 21.58% of AuroraTek shares.

9. The Finder's Fee Agreement also found on the AuroraTek Investment webpage represents that "the company desires to raise capital to support its business growth" and "finder has substantial contacts among members of the investment community and desires to act as a consultant and finder to locate prospective investors." The Finder's Fee Agreement agrees to pay the Finder 10% of the dollar amount of monies received from the investor.

Promotional/Marketing Methods

10. Since at least March 2014, Respondents Alek and Light have promoted the above AuroraTek products by operating booths and speaking at seminars in the states of Arizona, Texas and New Mexico. The seminars include the Arizona Prepper Fest, The AeroDef Manufacturing Conference, the ExtraOrdinary Technology Conferences, Conferences on Future Energy, and other conferences sponsored by Tesla Tech, LLC.

11. The Website contains pictures of AuroraTek booths at the above conferences which include pictures of Respondents Alek and Light standing at the AuroraTek booths. The Website also contains 3 videos of Respondent Alek giving presentations at the conferences.

Investor Complaint

12. On August 9, 2019, the Division received a complaint from an individual investor who said he had purchased AuroraTek stock (the "Investor"). The Investor told Division staff that he had attended the ExtraOrdinary [sic] Technology Conference at the Crowne Plaza hotel in Albuquerque, New Mexico from August 8-12, 2018. The Investor attended a presentation by Respondent Alek in which Alek claimed that AuroraTek has developed a "Free Energy Transformer" machine that generates self-replenishing electricity in remote locations. The last fifteen minutes of Respondent Alek's presentation offered shares of AuroraTek stock for sale to attendees. After the presentation, the Investor met with Respondents Alek and Light to learn more about investing in AuroraTek stock.

13. During the meeting Respondents Alek and Light made the following representations to the Investor:

- a. Alek would finish the Free Energy Transformer by the end of 2018;
- b. AuroraTek will be producing the Free Energy Transformer by the first quarter of 2019;
- c. Light represented that AuroraTek would no longer be selling shares of AuroraTek stock for \$1.00 per share after his investment;
- d. AuroraTek needed only \$50,000 to finish the Free Energy Transformer; and
- e. AuroraTek had a factory in the United States.

14. While at the conference, the Investor agreed to invest \$50,000 for the purchase of 60,000 shares of AuroraTek stock. The Investor later returned to his home state at the end of the conference. On or about August 22, 2018, Respondent Alek sent the Investor and several other Albuquerque conference attendees an e-mail with links to the AuroraTek Fast Pitch, Stock Purchase Agreement, and Finder's Fee Agreement. In the email, Respondent Alek stated that Respondent Light would be contacting the addressees shortly about the AuroraTek investment opportunity. Respondent Alek stated that he planned to finish the Free Energy Transformers by the end of 2018.

15. To date the Free Energy Transformers are not in production. In April 2019, the Investor traveled to the Phoenix, Arizona area to meet with Respondents Alek and Light. The Investor learned that the address listed on AuroraTek website, 10645 N. Tatum Boulevard, Suite C200-436 Phoenix, Arizona 85028, is actually a UPS Store where AuroraTek receives mail. The Investor contacted Respondent Alek and met both Respondents at their home located at 11474 East Carol Way, Scottsdale, AZ 85259. Respondent Alek told the Investor that AuroraTek assembles its products in their home and does not have a factory. Respondent Alek also admitted that the Free Energy Transformer is still not being produced.

16. On or about August 8, 2019, the Investor returned to Albuquerque, NM and attended the 2019 ExtraOrdinary Technology Conference at the Crowne Plaza Hotel. At the conference he found Respondents Alek and Light and gave them a letter demanding the return of his \$50,000 investment based on false representations made at the same conference the previous year. On August 9, 2019, Respondent Alek sent the investor an e-mail in response to the demand letter. In the e-mail, Respondent Alek stated that he "got detoured" on the commitment he made to the investor. Respondent Alek went on to state that he was making good connections at the conference but needed time to "work" the connections to return the Investor's \$50,000 investment. Respondent Alek also stated that he is "completely dependent" on other investors to help the Investor.

17. The Investor provided the Division with a copy of his AuroraTek stock certificate and all other documents and communications pertaining to the investment.

18. After speaking with the Investor, a staff member of the Division's Enforcement Bureau accessed the AuroraTek website discussed in Paragraphs 4-9 above. The staff member

reviewed all webpages and links. The staff member then printed all of the webpages and downloaded all documents referenced on the Investment webpage. The staff member also downloaded three video presentations of Respondent Alek giving presentations at conferences in Phoenix, AZ (March 21-23, 2014), Albuquerque, NM (July 28-30, 2016), and Fort Worth, TX (March 7, 2017).

19. On or about August 11, 2019, the Investor went back to the conference and met Respondent Alek at the AuroraTek booth. During this meeting, Respondent Alek told the Investor the following:

- a. Respondents Alek and Light used the \$50,000 investment to pay a \$14,000 finder's fee to a realtor and three months of rent on their home in Scottsdale, AZ;
- b. The Free Energy Transformer is not in production and is not working;
- c. Respondents Alek and Light were "on food stamps" at the time of the offer and sale of the AuroraTek shares to the Investor;
- d. AuroraTek has no manufacturing facility and any products are built in the garage of their home.
- e. AuroraTek needs to bring in new investors to continue and to return the Investor's money.

20. Respondent Alek then told the Investor that he would return his investment but would have to "work contacts" at the conference. Later the same day, Respondent Alek sent the Investor an email stating that AuroraTek did not have enough money to pay the next month's rent on Respondents' home and that Respondent Alek rarely has more than \$50 in his checking account. Respondent Alek then said, "Aurora is going to have to hustle and raise money quickly."

21. On August 12, 2019, the Investor met with Division staff and provided the information discussed in Paragraphs 19 and 20 above. The Investor also told Division staff that he never authorized the Respondents to use the proceeds of his investment to pay a finder's fee or rent on their home. The Investor also said that he would not have invested if the Respondents had disclosed that AuroraTek did not have a factory or that Respondents Alek and Light were living on food stamps.

2019 ExtraOrdinary Technology Conference in Albuquerque, NM

22. On August 10, 2019, a member of the Division's Enforcement Bureau traveled to the Crowne Plaza hotel located at 1901 University Boulevard, NE, Albuquerque, NM 87102 and attended the ExtraOrdinary Technology Conference. While at the Conference, the Division staff member located a table with the AuroraTek logo and products. The table also contained business cards for Respondents Alek and Light which listed their positions with the company. The staff member also obtained a glossy doubled-sided placard measuring approximately 8 3/4 inches x 4

inches, with the following words: "I want to invest in a company that has real growth potential! AuroraTek is the answer. AuroraTek offers an investment opportunity that NO other company offers." The bottom of the placard also stated "to find out how YOU can invest in AuroraTek call 480-474-4388." The web address "AuroraTek.us" appears next to the telephone number. The placard and the business card had signs stating "take one." While at the conference, the staff member also located and purchased a DVD of a video presentation that Respondent Alek gave at the 2018 COFE conference.

23. After obtaining the above information from the AuroraTek table, the staff member met with Respondent Alek who made the following representations:

- a. AuroraTek has developed a device that is producing free energy, much like a perpetual motion machine, known as the "Free Energy Transformer";
- b. AuroraTek is working on getting the Free Energy Transformers into production;
- c. AuroraTek is a Nevada Corporation headquartered in Scottsdale, Arizona;
- d. Alek incorporated AuroraTek in 2013. The company has been selling share of its stock since 2013 and has approximately 50 to 60 investors from all over the country and the world;
- e. AuroraTek also has an anti-gravity device which Alek is working on producing at the present time; and
- f. Respondent Alek is the CEO and Respondent Light is the Vice-President of Investor Relations.

24. Alek also told the staff member that shares of AuroraTek stock could be purchased for less than \$1 per share. Alek represented that AuroraTek pays a commission or finder's fee to individuals who find other investors. Alek anticipated that in the near future AuroraTek will have a "big" investor. Once this occurs, all stock from previous investors will be bought back by AuroraTek for \$4 per share, giving all previous AuroraTek investors a "big payday." Alek described AuroraTek as a "start-up company."

25. Respondent Alek then told the staff member that if he was interested in investing to write his name, telephone number, and e-mail address on a sign-up sheet and that Aurora would be calling and sending an email about the investment opportunity.

26. Division registration files show no record of the registration of AuroraTek shares in the state of New Mexico.

27. Respondents Alek and Light are not licensed agents to sell securities in New Mexico.

COUNT I

Offer or Sale of Unregistered Securities NMSA 1978, § 58-13C-301

All Respondents

28. The allegations contained in Paragraphs 1 through 27 are re-alleged and incorporated as though fully set forth herein.

29. From at least April 2014 to August 2019, Respondents have offered and/or sold shares of AuroraTek stock in New Mexico at the conferences discussed in Paragraph 10 above and on the company website discussed in Paragraphs 4 through 9 above.

30. Section 58-13C-102(DD) of the Act defines a “security” as any note; stock, treasury stock, debenture, evidence or indebtedness, and a certificate of interest or participation in a profit sharing agreement. The shares of AuroraTek stock are securities as that term is defined in the state of New Mexico.

31. Section 58-13C-301(A)(C) states: “It is unlawful for a person to offer or sell a security in New Mexico unless the security is registered or exempt from such registration pursuant to the Act.”

32. The AuroraTek shares are not registered with the Division and are not exempt from registration in New Mexico. Accordingly, the Respondents are in violation of NMSA 1978, § 58-13C-301.

COUNT II

Offer or Sale of Securities by Unregistered Agents NMSA 1978, § 58-13C-402

Respondents Alek and Light

33. The allegations contained in Paragraphs 1 through 32 are re-alleged and incorporated as though fully set forth herein.

34. Section 58-13C-101(A) defines an “agent” as an individual, other than a broker-dealer, who represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. Respondents Alek and Light are agents as that term is defined in New Mexico.

35. Section 58-13C-402(A) of the Act states that is unlawful for an individual to transact business in New Mexico as an agent unless the individual is registered or exempt from such registration pursuant to the Act.

36. Respondents Alek and Light are not registered as agents with the Division and are not exempt from registration in New Mexico. Accordingly, the Respondents are in violation of

COUNT III

**Securities Fraud
NMSA 1978, § 58-13C-501**

All Respondents

37. The allegations contained in Paragraphs 1 through 36 are re-alleged and incorporated as though fully set forth herein.

38. Section 58-13C-501(B) of the Act states that it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly: to make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances, not misleading.

39. At all times relevant to this proceeding the Respondents made the following untrue statements and omissions of material fact in connection with the offer and/or sale of shares of AuroraTek stock:

Material Untrue Statements

- a. That AuroraTek was providing a bio-friendly and infinite source of energy with products made in their factory located in the United States. In truth and fact, AuroraTek has no factory and any products were assembled in the garage of the house rented by the Respondents in Scottsdale, Arizona;
- b. That the money from the Investor's investment would be used to finish the Free Energy Transformer which would be in production by the first quarter of 2019. In truth and fact, Respondents Alek and Light used the \$50,000 investment obtained in this case to pay a \$14,000 finder's fee to a realtor and to pay three months' rent on their home in Scottsdale, Arizona; and,
- c. That the Free Energy Transformer worked and would be in production by the first quarter of 2019. In truth and fact, on August 11, 2019, Respondent Alek admitted that the Free Energy Transformer does not work and is not in production.

Material Omissions

- a. That AuroraTek never had a factory;
- b. That the Free Energy Transformer did not work;
- c. That any products sold by AuroraTek were assembled in the home garage of Respondents Alek and Light; and,

d. That Respondents Alek and Light were living on “food stamps.”

40. The foregoing facts and omissions are material because there is a substantial likelihood that a reasonable investor would have considered their disclosure significant as part of the “total mix” of information available. *Walta v. Gallegos Law Firm, P.C.*, 131 N.M. 544, 554 (Ct. App. 2001) (citing *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976)).

V. CONCLUSIONS OF LAW

41. Respondent AuroraTek, by and through Respondents Alek and Light, have offered and/or sold unregistered securities in violation of NMSA 1978, §58-13C-301.

42. Respondents Alek and Light have offered and sold securities as unregistered agents in violation of NMSA 1978, § 58-13C-402.

43. Respondents AuroraTek, Alek, and Light have committed securities fraud in violation of NMSA 1978, §58-13C-501.

VI. ORDER

Entry of this Order is in the public interest, appropriate for the protection of investors, and consistent with the purposes fairly intended by the policies and provisions of the Act.

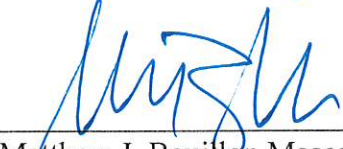
IT IS, THEREFORE, ORDERED THAT:

Pursuant to NMSA 1978, § 58-13C-604(A)(1), Respondents cease and desist the following conduct:

1. Offering or selling AuroraTek, Inc. securities in the state of New Mexico or to New Mexico investors from outside the state;
2. Acting as unlicensed agents for the sale of AuroraTek, Inc. securities in the state of New Mexico;
3. Engaging in securities fraud in the state of New Mexico.

ENTERED AT Albuquerque, New Mexico this 16th day of August, 2019.




Matthew J. Bouillon Mascareñas
Director
New Mexico Securities Division

NOTICE OF ADMINISTRATIVE HEARING RIGHTS

Each Respondent is hereby notified of its/his/her statutory right to request an administrative hearing on this Cease and Desist Order. Administrative hearings are governed by NMSA 1978, § 58-13C-604(B)(4)-(11). Respondents have fifteen (15) days from the receipt of this notice to file a written request for a hearing. The request may be sent via U.S. Postal Service, Form 3811, Receipt for Certified Mail, or via e-mail to the Director of the New Mexico Securities Division at matthew.bouillon@state.nm.us. The Director will set the matter for hearing no more than sixty (60) nor less than fifteen (15) days from receipt of the hearing request. The Director will promptly notify the Respondent(s) of the time and place for hearing. The Director or an appointee will conduct the hearing. The Director or his appointee will pass upon the admissibility of evidence and may exclude evidence that is incompetent, irrelevant, immaterial or unduly repetitious. As discussed more fully in NMSA 1978, § 58-13C-604(B), any Respondent requesting a hearing is entitled to: appear on its/his/her own behalf or may be represented by an attorney; present all relevant evidence; to examine all opposing witnesses who appear on any matter relevant to the issues; and request and obtain discovery, including the names and addresses of witnesses.