

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300  
Facsimile: (512) 305-8310



## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

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September 15, 2010

Mr. John S. Gillies  
The Loev Law Firm, PC  
6300 West Loop South, Suite 280  
Bellaire, Texas 77401

RE: Coil Tubing Technologies, Inc.

Dear Mr. Gillies:

This letter is in response to your letter dated June 10, 2010, and received by this Agency on June 11, 2010.

Your letter indicates that your firm is counsel for Coil Tubing Technology, Inc. ("Coil Tubing"), a Nevada corporation, in connection with the issuance of shares of its common stock pursuant to a judicially approved settlement. You described the events leading up to the lawsuit. In November 2005, Grifco International, Inc. ("Grifco") acquired 89% of the outstanding common stock of IPMC Holdings Corp. ("IPMC"), the predecessor entity of Coil Tubing, in exchange for Grifco's wholly-owned subsidiary, Coil Tubing Technology Holdings, Inc. ("Holdings") pursuant to an Exchange Agreement. Coil Tubing was formed in November 2005 and in December 2005 entered into a Plan and Agreement of Merger and Reorganization with IPMC. As a result of the merger, Coil Tubing became the sole surviving corporate entity.

You stated in your letter that, in August 2007, Grifco distributed its shares of Coil Tubing common stock to its shareholders of record on May 1, 2006 ("Grifco Distribution"). As a result of that spin-off, Coil Tubing ceased being a majority-owned subsidiary of Grifco. It subsequently came to Coil Tubing's attention that only Grifco shareholders who held their shares in street name on the record date were distributed shares in the Grifco Distribution and Grifco did not provide certain of its shareholders with the proper number of Coil Tubing common stock. The result was that not all shareholders of Grifco as of the record date received the number of shares they were due pursuant to the Grifco Distribution.

You stated that, because it had not received sufficient shares to effect the Grifco Distribution, the Depository Trust & Clearing Corporation ("DTCC") through Depository Trust Company ("DTC") informed Coil Tubing that Grifco did not transfer a sufficient number of shares of Coil Tubing to properly effect the Grifco Distribution. Because of the shortfall, the DTCC/DTC made "book entries" for its participating members, thereby essentially unilaterally creating additional shares of Coil Tubing stock.

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You explained that, in July 2008, Coil Tubing and its president filed suit against Grifco, the DTCC and the president of Grifco in District Court in Montgomery County, Texas. The DTC was subsequently added as a defendant in the lawsuit. Coil Tubing sought and obtained a temporary restraining order to restrain the DTCC from unilaterally adjusting shareholder accounts. The Plaintiffs and the DTCC/DTC came to an agreed upon settlement ("Rule 11 Agreement"). The settlement contemplated that certain shares of Coil Tubing common stock would be issued to the shareholders of Grifco to satisfy the claims of those shareholders who did not receive shares of Coil Tubing or who received an incorrect number of shares of Coil Tubing common stock.

You noted that the Montgomery County District Court held a fairness hearing on May 21, 2010, and issued an order approving the issuance of 228,136,867 additional shares of Coil Tubing common stock. The purpose of the hearing was to determine the fairness of the terms and conditions of issuance of Coil Tubing common stock to settle shareholders' claims and potential claims arising out of the Grifco Distribution. The Court determined that the terms and conditions were fair to the shareholders of Coil Tubing and Grifco and in the best interests of the shareholders of Coil Tubing and Grifco. The Court also stated that it had "reviewed sufficient information to determine the value of both the claims to be surrendered and the securities to be issued in the transaction and believes that such terms and conditions are fair, just and equitable." Notice of the hearing was sent to each shareholder of Coil Tubing and each Grifco shareholder and Coil Tubing established a web site that provided additional notice of the hearing.

Based on the foregoing understanding, the staff of the State Securities Board will recommend no action to require registration of the Coil Tubing common stock to be issued in connection with the Rule 11 Agreement as described above.

Please note that this Agency has not made an independent investigation of the facts, but has relied upon the information you have provided. If this information is incorrect or changes substantially, the staff would reconsider the matter and the no-action position stated above would be void.

I trust this letter answers your inquiry. Please feel free to write us if you need further information.

Very truly yours,

DENISE VOIGT CRAWFORD  
Securities Commissioner

Marlene K. Sparkman  
Assistant General Counsel

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