

APR 19 2013

BOOKET NUMBER

2013-04

STATE OF GEORGIA
COMMISSIONER OF SECURITIES

In the Matter of :
:
JKV MANAGEMENT CONSULTING, LLC, :
TIM COOKSEY OIL, LLC, :
TIM COOKSEY, :
JEFFERSON K. VILLINES III, :
SEAN PATRICK RILEY :
and CHRIS TERMEER, :
:
Respondents. :

Case Number: ENSC-130195

CEASE AND DESIST ORDER

Pursuant to § 10-5-71(a)(1) of the Georgia Uniform Securities Act of 2008, O.C.G.A. § 10-5-1, et seq. (the "Act"), the Commissioner of Securities for the State of Georgia (the "Commissioner") caused an investigation to be made into JKV Management Consulting, LLC, Tim Cooksey Oil, LLC, Tim Cooksey, Jefferson K. Villines III, Sean Patrick Riley and Chris Termeer (each a "Respondent" and collectively "Respondents") to determine whether Respondents have violated, are violating or are about to violate the Act or a rule adopted thereunder (the "Rules"). Pursuant to § 10-5-73(a)(1) of the Act, the Commissioner has determined that Respondents have engaged in actions constituting violations of the Act, and a summary order directing Respondents to immediately cease and desist from violating Georgia law is necessary and in the public interest. Therefore, based upon information obtained during the investigation, the Commissioner finds as follows:

I. FINDINGS OF FACT

A. The Parties

1. Respondent JKV Management Consulting, LLC ("JKV") is a Texas limited liability company, with its last-known principal place of business at 6502 Bandera Rd. #109, San Antonio, TX 78023.

2. Respondent Tim Cooksey Oil, LLC ("TCO") is an Illinois limited liability company, with its last-known principal place of business at 19000 Prior Road, Thompsonville, IL 26890.

3. Respondent Tim Cooksey ("Cooksey") is a principal and/or manager of Respondent TCO, with a last-known work address at 19000 Prior Road, Thompsonville, IL 26890.

4. Respondent Jefferson K. Villines III ("Villines") is a principal and/or manager of Respondent JKV with a last-known work address at 6502 Bandera Rd. #109, San Antonio, TX 78023.

5. Respondent Sean Patrick Riley ("Riley") is a principal and/or manager of Respondent JKV with a last-known work address at 6502 Bandera Rd. #109, San Antonio, TX 78023.

6. Respondent Chris Termeer ("Termeer") is the owner and/or operator of the website <http://investments-and-acquisitions.com/>, with a last known address at 880 Mandalay Ave, Clearwater, FL 33767.

7. None of Respondents have ever been registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or in any other capacity with the Commissioner under the Act.

8. No securities of TCO have ever been registered with the Commissioner under the Act or its predecessor, the Georgia Securities Act of 1973, and no Form D has been filed in respect of any TCO securities with either the United States Securities and Exchange Commission or the Commissioner.

B. The Securities

9. In or about August, 2011, a Georgia resident (the "Georgia Resident") observed an advertisement for oil and gas investments on Respondent Termeer's publicly-available website, <http://investments-and-acquisitions.com/>.

10. The Georgia Resident submitted a request for additional information on potential investments, via Respondent Termeer's website, and was put in contact with Respondent Riley who acted as a representative of Respondent JKV.

11. On or about August 18, 2011, Respondent Riley offered to the Georgia Resident a 5% working interest (the "Securities") in the "Akin South Single Well Drilling Partnership" located in Franklin County, Illinois, pursuant to an oil and gas lease held by Respondent Cooksey (the "Akin South Lease" or "Akin South").

12. Respondent Riley had subsequent conversations with the Georgia Resident about the proposed investment and introduced the Georgia Resident to Respondent Villines.

13. On or about August 23, 2011, Respondent Cooksey, on behalf of Respondent TCO, entered into an operating agreement with the Georgia Resident, for the operation of Akin South.

14. On or about August 24, 2011, the Georgia Resident entered into an agreement with TCO titled "Receipt for Investment and Purchase Agreement, Akin South", whereby the Georgia Resident paid \$50,000 to TCO in exchange for a 5% working interest in the Akin South Lease.

15. On or about August 25, 2011, the Georgia Resident electronically transferred funds in the amount of \$50,000.00 from his bank account directly into the bank account of TCO in order to purchase the Securities.

16. On or about March 26, 2012, Respondent Cooksey executed an assignment of a 5% interest in the Akin South Lease to the Georgia Resident. Pursuant to the assignment:

THIS ASSIGNMENT OF AN OIL AND GAS LEASE IS A SECURITY WHICH HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933. THIS SECURITY WAS SOLD FOR INVESTMENT PURPOSES ONLY AND SHOULD NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN OPINION FROM COUNSEL SATISFACTORY THAT SECURITY REGISTRATION IS NOT REQUIRED OR IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933.

No references to any federal or state securities registration exemptions were provided in the assignment, or in any documentation provided to the Georgia Resident.

17. The Georgia Resident was not an "accredited investor" as such term is defined in Rule 501 of U.S. Securities and Exchange Commission Regulation D, 17 C.F.R. § 230.501, did not have the knowledge and experience in financial and business matters to evaluate the merits and risks of the proposed investment in the Securities, and had no substantive pre-existing relationship with Respondents prior to viewing Respondent Termeer's website and completing the website's inquiry form.

18. Respondent Termeer's website, which solicited investment in numerous oil and gas private offerings, was not password-protected and contained no screening mechanism to ensure that only accredited investors might have access to those portions of the website containing advertising relating to the various oil and gas private offerings promoted by the website. See SEC No-Action Letter, Lamp Technologies, Inc. (pub. avail. May 29, 1997), and SEC No-Action Letter, Lamp Technologies, Inc. (pub. avail. May 29, 1998).

19. The Georgia Resident entered into the agreements with Respondents expecting to receive profits, or a return on his investment, based on the efforts of third parties engaging in business related to the oil and gas wells described above.

C. Regulatory Actions against Respondents

20. On or about February 22, 2012, Respondents TCO, JKV, Villines and Riley were named in a Cease and Desist Order issued by the Pennsylvania Securities Commission (Case No: 2012-01-19) for violating Pennsylvania securities laws by offering and selling the Securities in Pennsylvania without registering the Securities under the Pennsylvania Securities Act of 1972 (the "PA Act"). Respondents JKV and Villines were also named in that same Cease and Desist Order for offering and selling the Securities in Pennsylvania without registration as a broker-dealer under the PA Act.

II. CONCLUSIONS OF LAW

21. Paragraphs 1 through 20 are incorporated by reference as though fully set forth herein.

A. Selling Unregistered Securities

22. Exemptions from registration are strictly construed, and the burden of proving an exemption from registration is on the seller of unregistered securities. Novatex Sales, Inc. v. Prince, 159 Ga. App. 559 (1981).

23. The Securities are "securities" within the meaning of Section 10-5-2(31) of the Act. O.C.G.A. § 10-5-2(31).

24. Pursuant to O.C.G.A. § 10-5-20, it is unlawful for a person to offer or sell a security in Georgia unless: (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under the Act; or (3) the security is registered under the Act.

25. Respondents have made no claim that the Securities are exempt from registration pursuant to the Act or exempt from federal registration pursuant to the Securities Act of 1933, as amended.

26. Because Respondent Termeer's website was not password-protected and contained no screening mechanism to ensure that only accredited investors might access its content, and because the Georgia Resident was not an accredited investor and had no substantive pre-existing relationship with Respondents prior to the Georgia Resident viewing Termeer's website, Respondents have engaged in a prohibited "general solicitation," thereby invalidating any attempted reliance on the exemption from federal registration pursuant to Rule 506 of Regulation D. Because the securities are not exempt from federal registration pursuant to Rule 506 of Regulation D and do not meet the requirements of any other category of federal covered securities, the Securities are not "federal covered securities" as defined in O.C.G.A. § 10-5-2(9).

27. The Securities sold by Respondents were not registered with the Commissioner under the Act, are not "federal covered securities" as defined by the Act, and are not exempt from registration under any provision of the Act; therefore, Respondents acted in violation of O.C.G.A. § 10-5-20 when they solicited the sale of, and sold, the Securities.

B. Acting as an Unregistered Broker-Dealer and Agent

28. The Act defines a "broker-dealer" as a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include agents or issuers. O.C.G.A. § 10-5-2(3).

29. The Act defines an "agent" as an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or who represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. O.C.G.A. § 10-5-2(1).

30. Pursuant to O.C.G.A. § 10-5-30(a), it is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under the Act as a broker-dealer or is exempt from registration as a broker-dealer.

31. Pursuant to O.C.G.A. § 10-5-31(a), it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent.

32. Respondents JKV and Termeer acted in violation of O.C.G.A. § 10-5-30 when they solicited the sale of, and sold, the Securities to the Georgia Resident without first registering with the Commissioner as a broker-dealer.

33. Respondents Villines, Riley and Termeer acted in violation of O.C.G.A. § 10-5-31 when they solicited the sale of, and sold, the Securities to the Georgia Resident without first registering with the Commissioner as an agent.

III. ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that Respondents immediately **CEASE AND DESIST** all violations of the Georgia Uniform Securities Act of 2008, as amended.

Pursuant to O.C.G.A. § 10-5-73(b), the Commissioner intends to seek a civil penalty against Respondents of up to \$50,000.00 for a single violation or up to \$500,000.00 for multiple violations of the Act.

Pursuant to O.C.G.A. § 10-5-73(b), the Commissioner intends to seek reimbursement from Respondents for the costs of the Commissioner's investigation.

The entry of this Order is deemed to be in the public interest, and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to Respondents, and shall

not be deemed to be a waiver or estoppel on the part of the Commissioner from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

IV. NOTICE AND OPPORTUNITY FOR HEARING

Pursuant to O.C.G.A. § 10-5-73(b), Respondents are hereby notified that within thirty (30) days after receipt of a request for a hearing in a record from Respondents, this matter will be scheduled for a hearing unless otherwise agreed to by the parties. If Respondents do not request a hearing and none is ordered by the Commissioner within thirty (30) days after the date of service of this Order, this Order will become final as to Respondents by operation of law. If a hearing is requested or ordered, the Commissioner, after notice of and opportunity for hearing to Respondents, may modify or vacate this Order or extend it until final determination.

Pursuant to O.C.G.A. § 10-5-73(c), if Respondents request a hearing or the Commissioner orders a hearing, the hearing shall be held pursuant to the provisions of Chapter 13 of Title 50, the "Georgia Administrative Procedure Act" and the Act. A final order may make final, vacate or modify this Order. Additionally, in a final order, the Commissioner may impose a civil penalty up to \$50,000.00 for a single violation or up to \$500,000.00 for more than one violation and may charge the actual cost of this investigation or proceeding for a violation of Act. See O.C.G.A. §§ 10-5-73(d) and 10-5-73(e).

A request for a hearing may be faxed to the attention of Jonathan Strauss, Esq. at (770) 359-3515 or delivered to the attention of Jonathan Strauss, Esq., Office of the Secretary of State, Securities Division, Suite 820 West Tower, 2 Martin Luther King Jr. Dr. S.E., Atlanta, Georgia 30334. This request should include the following information:

- A title which indicates the nature of the proceedings;
- The complete name and address of the person or persons on whose behalf the request is filed;
- The name and address of all other persons known to have a legal interest in the proceedings;
- If the person or persons on whose behalf the request is filed are represented by counsel, the name and address of counsel;
- A clear and concise statement of the facts upon which the contested case arises;
- A prayer setting forth the relief sought; and
- A statement of the grounds upon which the person contends he is entitled to the relief sought.

Respondents may request a prehearing conference with the Commissioner's staff pursuant to the Commissioner's Rule 590-4-6-.12 adopted under the Act. The receipt of a request for a prehearing conference will toll, until the date scheduled for the prehearing conference, the running of the time for requesting a hearing. If a hearing is requested, the issues or matters to be addressed are set forth in this Order. The parties to this matter shall have all of the rights provided for in O.C.G.A. § 10-5-1, et seq. and the Rules.

SO ORDERED this 10th day of April, 2013.

**BRIAN P. KEMP
SECRETARY OF STATE
COMMISSIONER OF SECURITIES**

By: 
Vincent R. Russo
Assistant Commissioner of Securities