



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
TEXAS INTERNATIONAL RESOURCES,)
L.L.C.; and, BRIAN HOWE,)
)
 Respondents.)
)
)

Case No. AP-16-15

CONSENT ORDER

SUMMARY OF THE SECURITIES DIVISION’S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Enforcement Counsel Scott Snipkie, has alleged that Respondent Texas International Resources, L.L.C. (“T.I.R.”) offered for sale unregistered, non-exempt securities; transacted business as a broker-dealer in the State of Missouri without being registered or exempt from registration; and, employed an unregistered individual in violation of Sections 409.3-301, 409.4-401, 409.4-402 RSMo. (Cum. Supp. 2013),¹ and that Respondent Brian Howe (“Howe”) offered for sale unregistered, non-exempt securities; transacted business in Missouri as a broker-dealer agent without being registered or exempt from registration; and, engaged in a course of business that would operate as a fraud or deceit upon another person in violation of Sections 409.3-301, 409.4-402, and 409.5-501, and that these violations constitute grounds to issue an order pursuant to Section 409.6-604. Collectively T.I.R. and Howe are referred to throughout as “Respondents.”
2. Respondents and the Division desire to settle the allegations and the matters raised by the Division relating to the Respondents’ alleged violations of Sections 409.4-401, 409.4-402, and 409.5-501.

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

CONSENT TO JURISDICTION

3. Respondents and the Division stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents and the Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondents waive Respondents’ rights to a hearing with respect to this matter.
6. Respondents waive any rights that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondents stipulate and agree with the Division that, should the facts contained herein prove to be false or incomplete, the Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondents and the Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents’ (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Division, but consent to entry of the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. Texas International Resources, L.L.C. ("Texas International") is a Texas limited liability company, organized on March 19, 2009, and with a mailing address of 14860 Montfort Drive, Suite 115, Dallas, Texas 75254. A stated purpose of Texas International is to develop large scale oil and natural gas wells in or around Texas.
13. Brian Howe ("Howe") is a Texas resident with a mailing address of 5150 Spanish Oaks, Frisco, Texas 75034. Howe is the Chief Technology Officer of Texas International Resources.
14. At all times relevant to this matter, Respondents were not registered with the State of Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, or issuer agent.
15. Respondents disclosed to the Division, among other things, the following:
 - a. Respondents filed a Form D (Notice of Exempt Offering of Securities) with the United States Securities and Exchange Commission claiming a Rule 505 exemption to Regulation D for one of the reasons stated in Rule 505(b)(2)(iii);
 - b. Respondents' website, Facebook page, and LinkedIn profile operated as a general solicitation and/or advertisement to sell units of working interest in the development of large scale oil and natural gas wells in or around Texas ("Units"); and
 - c. Respondents' Private Placement Memorandum ("PPM") claimed an exemption from registration under Rule 506 of Regulation D, as Units were purportedly being offered to prospective purchasers who were accredited investors.
 - d. The PPM states that Units are offered to prospective purchasers at a price of \$300,000 per unit, payable in a single installment.
 - e. Respondents offered to place an investment for a potential investor ("MR") who Respondents knew, based upon a telephone conversation and correspondence with MR, was not an accredited investor.
 - f. Respondents offered MR a fractional unit for less than \$300,000.

II. CONCLUSIONS OF LAW

16. The Commissioner concludes that Respondent T.I.R. offered for sale unregistered, non-exempt securities; transacted business in the State of Missouri as a Broker-Dealer without being registered or exempt from registration; and, employed or associated with an unregistered agent in violation of Sections 409.3-301, 409.4-401 and 409.4-402. The Commissioner further concludes that Respondent Howe offered for sale unregistered, non-exempt securities; transacted business in the State of Missouri as a Broker-Dealer Agent without being registered or exempt from registration; and, engaged in a course of business that would operate as a fraud or deceit in the State of Missouri, in violation of Sections 409.3-301, 409.4-402, and 409.5-501.
17. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondents and the Division, finds and concludes that the Commissioner has jurisdiction over Respondents in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondents, their agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from violating Sections 409.3-301, 409.4-401, 409.4-402, and 409.5-501.
2. Respondent TIR is ordered not to state or imply, in marketing materials of any kind, including, but not limited to, its website, that it does or can generally solicit unaccredited investors. Within 15 days of the execution of this Order, Respondent TIR will submit marketing materials, including links to its publicly available website, for the Commissioner's review. Said marketing materials must be acceptable to the Commissioner, and Respondent TIR agrees to make those changes the Commissioner requests.
3. Respondents, jointly and severally, are ordered to pay \$11,165 to the Investor Education and Protection Fund for violations of the Missouri Securities Act. This payment shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund within 10 days of the execution of this Consent Order. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund.
4. Respondents, jointly and severally, are also ordered to pay an additional \$9,000 to the Investor Education and Protection Fund. This payment shall be suspended for two years, but shall become due immediately upon the sooner of (1) Respondents' noncompliance with the terms of this Consent Order or (2) a finding, after notice and opportunity for a

hearing, by the Commissioner or a court of competent jurisdiction that Respondents have violated the Missouri Securities Act. Such immediately due payment shall be in addition to all other penalties then available under the law. If, after two years from the date of this Consent Order, neither of those two conditions has occurred, the Commissioner waives Respondents' payment of the remaining amount; and

5. Respondents shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 2ND DAY OF MAY, 2016.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

Scott Snipkie
Scott Snipkie
Enforcement Counsel

RESPONDENTS

TEXAS INTERNATIONAL RESOURCES, L.L.C.

BY: *Robert A. Minor*

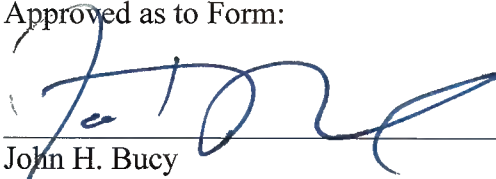
NAME: *Robert A. Minor*

TITLE: *President*



Brian Howe

Approved as to Form:



John H. Bucy

Attorney for Respondents