

TRAVIS J. ILES  
SECURITIES COMMISSIONER

CLINTON EDGAR  
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.texas.gov

E. WALLY KINNEY  
CHAIR

KENNY KONCABA  
MEMBER

ROBERT BELT  
MEMBER

MELISSA TYROCH  
MEMBER

EJIKE E OKPA II  
MEMBER

IN THE MATTER OF	§	
ENERGY INVESTMENT PARTNERS, LLC,	§	Order No. ENF-22-CDO-1857
AND JOHN ROBERT "BOB" FLOURNOY	§	

### **Energy Investment Partners, LLC**

Service by certified mail, return receipt requested, addressed to its attorney, Robert Frisch, at 15150 Preston Road, Suite 240, Dallas, TX 75248, and service by electronic mail addressed to its attorney at [rkfrischlaw@msn.com](mailto:rkfrischlaw@msn.com).

### **John Robert "Bob" Flournoy**

Service by certified mail, return receipt requested, addressed to his attorney, Robert Frisch, at 15150 Preston Road, Suite 240, Dallas, TX 75248, and service by electronic mail addressed to his attorney at [rkfrischlaw@msn.com](mailto:rkfrischlaw@msn.com).

### **AGREED ORDER**

Be it remembered that Energy Investment Partners, LLC ("Respondent EIP") and John Robert "Bob" Flournoy ("Respondent Flournoy") appeared before the Securities Commissioner of the State of Texas and consented to this Agreed Order and the Findings of Fact and Order contained herein.

### **FINDINGS OF FACT**

1. Respondents EIP and Flournoy (collectively, the "Respondents") have waived (a) their right to notice and hearing in this matter, (b) their right to appear and present evidence in this matter, (c) their right to appeal this order, and (d) all other procedural rights granted by The Securities Act, Tex. Rev. Civ. Stats. Ann. arts. 581-1-581.45 (the "Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-2001.902.

### **SERVICE OF RESPONDENTS**

2. Respondent EIP is being served by certified mail, return receipt requested, addressed to its attorney, Robert Frisch, at 15150 Preston Road, Suite 240, Dallas, TX 75248, and by electronic mail addressed to its attorney at [rkfrischlaw@msn.com](mailto:rkfrischlaw@msn.com).
3. Respondent Flournoy is being served by certified mail, return receipt requested, addressed to his attorney, Robert Frisch, at 15150 Preston Road, Suite 240,

Dallas, TX 75248, by electronic mail addressed to his attorney at [rkfrischlaw@msn.com](mailto:rkfrischlaw@msn.com).

#### PROCEDURAL HISTORY

4. On September 1, 2020, the Securities Commissioner entered Emergency Cease and Desist Order No. ENF-20-CDO-1818 ("the Emergency Order") against Respondents.
5. Pursuant to Section 23-2.C of the Securities Act, Respondents filed a timely request for a hearing to challenge the Emergency Order.
6. The contested case was docketed at the State Office of Administrative Hearings ("SOAH") and assigned SOAH Docket No. 312-21-0184.
7. Respondents now agree to waive their right to a hearing to challenge the Emergency Order and consent to dismissal of the contested case currently pending at SOAH.

#### BACKGROUND

8. Respondents offered working interests in the Maple Grove 2 prospect, an oil and gas reservoir located in the Niagaran Reef Trend in Manistee County, Michigan.
9. Respondents offered these working interests in or from Texas in part through Respondent EIP's website and the use of public advertisements placed on an online marketplace.
10. Respondents offered these working interests at a time when the securities were not registered with the Securities Commissioner and when no permit was granted for their sale.
11. Respondents were not registered with the Securities Commissioner as dealers or agents at any time material hereto.

#### THE COMPLIANCE PROGRAM

12. Respondents are filing an undertaking ("the Undertaking") with the Securities Commissioner contemporaneously with the entry of this Agreed Order, and the Undertaking is incorporated herein as if set forth fully herein.
13. Within the Undertaking, Respondents are representing they have not illegally or fraudulently sold securities in or from Texas.
14. Respondents are also representing in the Undertaking that they currently have no investors in their oil and gas projects.

15. The Undertaking also requires Respondent EIP to establish a compliance system that is reasonably designed to ensure compliance with the Securities Act and the Rules and Regulations of the State Securities Board, 7 Tex. Admin. Code §§ 101.1–139.27 (2019) (Tex. State Sec. Bd.) ("Board Rules").

#### CONCLUSIONS OF LAW

1. The working interests in the Maple Grove 2 prospect are securities as the term is defined by Section 4.A of the Securities Act.
2. Respondents violated Section 7 of the Securities Act by offering securities for sale in Texas at a time when the securities were not registered with the Securities Commissioner and when no permit was granted for their sale.
3. Respondents violated Section 12 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Securities Act.
4. The foregoing Conclusions of Law constitute bases for setting aside the Emergency Order pursuant to Section 23-2 of the Securities Act and bases for entering this Agreed Order pursuant to Section 23.A of the Securities Act.

#### ORDER

1. It is therefore ORDERED Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Securities Act.
2. It is further ORDERED Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Securities Act.
3. It is further ORDERED the Emergency Order is set aside.


SIGNED AND ENTERED by the Securities Commissioner this 31<sup>st</sup> day of

January 2022.


  
\_\_\_\_\_  
TRAVIS J. ILES  
Securities Commissioner


**Respondents:**

By:   
Energy Investment Partners, LLC  
By John Robert Flournoy, its principal

By:   
John Robert Flournoy

**Approved as to Form:**

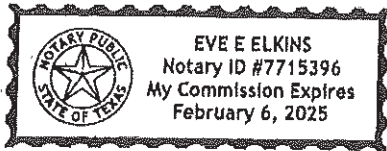
By:   
Joseph Rotunda  
Director  
Enforcement Division

By:   
Robert K. Frisch  
Attorney for Respondents  
The Law Office of Robert K. Frisch  
15150 Preston Road, Suite 240  
Dallas, TX 75248

By:   
Tina Lawrence  
Assistant Director  
Enforcement Division

**ACKNOWLEDGEMENT OF RESPONDENT FLOURNOY**

Before me, the undersigned authority, on this 16<sup>th</sup> day of November, 2021, appeared John Robert Flournoy, and voluntarily executed the foregoing Undertaking.



[affix notary seal here]

A handwritten signature in cursive script, appearing to read "Eve E. Elkins", written over a horizontal line.

Notary Public in and for  
the State of Texas

My commission expires: 2/6/2025