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SECURITIES COMMISSIONER



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## Texas State Securities Board

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IN THE MATTER OF §  
U.S. ENERGY ASSETS, LLC; TEXAS VICTORY §  
JOINT VENTURE; AND RAYMOND LESLIE §  
BOYKIN AKA ROBERT LESLIE BOYKIN §

Order No. ENF-22-CDO-1866

### U.S. Energy Assets, LLC

Service by certified mail, return receipt requested, addressed to its attorney, Douglas Kittelson, 6116 N. Central Expressway, Suite 1201, Dallas, Texas 75206, and service by electronic mail addressed to its attorney at [doug@kittelsonlaw.com](mailto:doug@kittelsonlaw.com).

### Texas Victory Joint Venture

Service by certified mail, return receipt requested, addressed to its attorney, Douglas Kittelson, 6116 N. Central Expressway, Suite 1201, Dallas, Texas 75206, and service by electronic mail addressed to its attorney at [doug@kittelsonlaw.com](mailto:doug@kittelsonlaw.com).

### Raymond Leslie Boykin aka Robert Leslie Boykin

Service by certified mail, return receipt requested, addressed to his attorney, Douglas Kittelson, 6116 N. Central Expressway, Suite 1201, Dallas, Texas 75206, and service by electronic mail addressed to his attorney at [doug@kittelsonlaw.com](mailto:doug@kittelsonlaw.com).

### AGREED CEASE & DESIST ORDER

Be it remembered that U.S. Energy Assets, LLC ("**Respondent US Energy Assets**"), Texas Victory Joint Venture ("**Respondent Texas Victory**"), and Raymond Leslie Boykin aka Robert Leslie Boykin ( "**Respondent Boykin**"), appeared before the Securities Commissioner of the State of Texas (the "**Securities Commissioner**") and consented to the entry of this Agreed Order and the Findings of Fact and Order contained herein.

### FINDINGS OF FACT

1. Respondents US Energy Assets, Texas Victory and Boykin (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. Gov't Code §§ 4001.001-4008.105 105 (formerly codified at Tex. Rev. Civ. Stat. Ann. Arts. 581-1-581-45) (the "**Securities Act**") and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-2001.902 (the "**Administrative Procedure Act**").

### SERVICE OF RESPONDENTS

2. Respondent US Energy Assets is being served by certified mail, return receipt requested, addressed to its attorney, Douglas Kittelson, at his office at 6116 N. Central Expressway, Suite 1201, Dallas, Texas 75206.
3. Respondent Texas Victory is being served by certified mail, return receipt requested, addressed to its attorney, Douglas Kittelson, at his office at 6116 N. Central Expressway, Suite 1201, Dallas, Texas 75206.
4. Respondent Boykin is being served by certified mail, return receipt requested, addressed to its attorney, Douglas Kittelson, at his office at 6116 N. Central Expressway, Suite 1201, Dallas, Texas 75206.
5. Respondents have consented to service of counsel by electronic mail pursuant to Tex. Gov't. Code Ann. §2001.142(b). They are therefore also being served with this Agreed Order through electronic mail addressed to [doug@kittelsonlaw.com](mailto:doug@kittelsonlaw.com).

### PROCEDURAL HISTORY

6. On November 22, 2019, the Securities Commissioner entered Emergency Cease and Desist Order No. ENF-CDO-20-1792 (the "Emergency Order") against Respondent US Energy Assets, Texas Victory, Boykin and others allegedly involved in the offer of units in the Texas Victory Joint Venture.
7. Pursuant to Section 4007.104(c) of the Securities Act, the parties were afforded the opportunity to request a hearing to modify or set aside the Emergency Order. The statute required Respondents to request the hearing before the 31st day after the date they were served the Emergency Order.
8. Respondents filed a timely request for a hearing to modify or set aside the Emergency Order. The request was filed with the Securities Commissioner and satisfied the requirements of Section 4007.104(c) of the Securities Act.
9. The contested case was docketed at the State Office of Administrative Hearings ("SOAH") and assigned SOAH Docket No. 312-21-1318.
10. Respondents have cooperated with the Enforcement Division and have provided relevant records and information about its business to the Enforcement Division.
11. The Enforcement Division and Respondents have agreed to the entry of this Agreed Order.

THE OPERATIONS OF RESPONDENT US ENERGY ASSETS

12. On or about August 15, 2014, Respondent Boykin organized Respondent US Energy Assets with the Texas Secretary of State. Respondent Boykin controls Respondent US Energy Assets.
13. Respondent US Energy Assets was involved in the exploration of oil and gas wells in Oklahoma, Louisiana, Kansas, and Texas, and was focusing on exploring oil and gas wells in Texas.
14. Respondents US Energy Assets and Boykin touted the management and expertise of Respondent US Energy Assets as follows:
  - A. Respondents US Energy Assets and Boykin claimed its management has owned and/or managed the day-to-day operations for more than 380 wells over the past 20 years in Texas.
  - B. Respondents US Energy Assets and Boykin represented Respondent Boykin has more than 10 years of experience in exploring oil and gas and that he is an expert in oil and gas.
  - C. Respondents US Energy Assets and Boykin touted their experience, honesty, integrity, transparency and commitment to their partners.
15. Respondent US Energy Assets offered and sold investments in oil and gas drilling programs, and they touted the success of the investments in oil and gas drilling programs.
16. Respondents US Energy Assets and Texas Victory touted the success of investments tied to oil and gas drilling programs, in part, by referring to the purported success of investments tied to an oil and gas well located in Harrison County, Texas. They represented as follows:
  - A. Respondents US Energy Assets and Texas Victory referred to this well as the Duke #1.
  - B. Respondents US Energy Assets and Texas Victory claimed the Duke #1 began producing in April 2019.
  - C. Respondents US Energy Assets and Texas Victory claimed purchasers of investments tied to the Duke #1 received a return of more than 10 percent two months later.
17. Respondents US Energy Assets and Texas Victory also touted the legitimacy of Respondent US Energy Assets, in part, by representing the United States Securities and Exchange Commission (the "SEC") previously audited Respondent US Energy Assets.

RESPONDENTS US ENERGY ASSET AND BOYKIN  
OFFERED UNITS IN A JOINT VENTURE TO EXPLORE AN OIL WELL

18. Respondent US Energy Assets is the Managing Venturer of Respondent Texas Victory, a Texas Joint Venture formed on or around September 27, 2019.
19. Respondent Texas Victory issued at least five units that represent one percent of the working interest and three-fifths percent of the net revenue interest in #1H Duchess, a horizontal well located in the Pettet formation of the Woodlawn Field in Harrison County, Texas.
20. Respondents offered the units issued by Respondent Texas Victory (the "unprotected units").
21. Respondents also offered units issued by Respondent Texas Victory that were purportedly protected by Timeless Protect, LLC (the "protected units").

THE UNPROTECTED UNITS  
ISSUED BY RESPONDENT TEXAS VICTORY

22. Respondents offered unprotected units for \$220,000.00 per unprotected unit or \$27,500.00 per one-eighth unprotected unit payable to Respondent Texas Victory.
23. Purchasers of unprotected units were classified as "non-operators" and had no substantial authority over or involvement in the operations of Respondent Texas Victory.
24. Purchasers of unprotected units were required to appoint Respondent US Energy Assets as their attorney-in-fact regarding all authorities and expenditures.
25. On or after December 31, 2019, Respondent Texas Victory was to commence exploration of the #1H Duchess. It would thereafter allocate profits and losses to purchasers on a pro rata basis, in proportion to their respective number of units, and distributions in proportion to their respective units.
26. Respondents touted the profitability of the units.

THE PROTECTED UNITS ISSUED  
BY RESPONDENTS TEXAS VICTORY AND TIMELESS PROTECT

27. Respondents offered protected units for \$220,000.00 per protected unit or \$27,500.00 per one-eighth protected unit payable to Respondent Texas Victory and an additional \$77,000.00 per protected unit or \$9,625.00 per one-eighth protected unit payable to Timeless Protect, LLC ("Timeless Protect").

28. The protected units are the same as the unprotected units except that purchasers of protected units were enrolled in a Cash Back Program managed by Timeless Protect, and its principals: Duane Lee ("Lee"), Chief Executive Officer; Sunil Joseph ("Joseph"), Manager; and Paul James ("James"), Manager.

THE CASH BACK PROGRAM  
AND GUARANTEED PAYMENTS TO PURCHASERS OF PROTECTED UNITS

29. Timeless Protect, as managed by Lee, Joseph, and James, was the administrator of the Cash Back Program.
30. Principal sent to Timeless Protect for the Cash Back Program, less an eight percent fee, was purportedly held in a trust account.
31. The Cash Back Program entitled purchasers of protected units to the following payments regardless of the success or profitability of the #1 Duchess:
- A. After a three year term, purchasers of protected units may elect an early withdrawal from the Cash Back Program that pays an amount equal to 25 percent of principal invested with Timeless Protect and Respondent Texas Victory.
  - B. After a six year term, purchasers of protected units may elect an early withdrawal from the Cash Back Program that pays an amount equal to 50 percent of principal invested with Timeless Protect and Respondent Texas Victory.
  - C. After a twelve year term, purchasers of protected units may elect to receive a full return of principal invested with Timeless Protect and Respondent Texas Victory.
32. The trust account was purportedly fully insured by a corporate insurance policy issued by Aspen Re, a syndicate of Lloyds of London, and a financial guarantee policy that listed clients as beneficiaries. The insurance premiums for the insurance policies were purportedly pre-paid by Timeless Protect.

THE PRIOR DISCIPLINARY ORDER AGAINST RESPONDENT BOYKIN

33. As described herein, Respondents touted the business repute and qualifications of Respondent Boykin.
34. Respondents did not tell investors Respondent Boykin was previously registered with the Financial Industry Regulatory Authority, Inc. ("FINRA").

35. On or about February 2, 2015, FINRA filed a complaint against Respondent Boykin in Department of Enforcement v. Raymond Leslie Boykin (CRD No. 5751487), Disciplinary Proceeding No. 2012033634301.<sup>1</sup>
36. The complaint alleged, in part, that Respondent Boykin appropriated confidential client information, resigned from his employer and then used the confidential client information to solicit investments in unrelated oil and gas drilling projects.
37. On or about May 20, 2015, FINRA entered an Order Accepting Offer and Settlement that resolved the action. This order suspended Respondent Boykin from association with any FINRA broker-dealer in any capacity for two years and assessed a fine in the amount of \$10,000.00.

**PRODUCTION RECORDS SHOW  
THE DUKE #1 HAD NO PRODUCTION IN APRIL OR MAY 2019**

38. As described herein, Respondents US Energy Assets and Texas Victory touted the success of investments tied to oil and gas drilling programs, in part, by referring to the purported success of investments tied to an oil and gas well located in Harrison County, Texas.
39. As also described herein, they referred to this well as the Duke #1, claiming the Duke #1 began producing in April 2019, and represented that purchasers of investments tied to the Duke #1 received a return of more than 10 percent two months later.
40. Although they claimed the Duke #1 began production in April 2019 and investments in the Duke #1 returned 10.1 percent to investors two months later, production records reflect no production for the Duke #1 for April 2019 or May 2019.

**THE SEC DID NOT AUDIT RESPONDENT US ENERGY ASSETS**

41. As described herein, Respondents US Energy Assets and Texas Victory touted the legitimacy of Respondent US Energy Assets, in part, by representing the SEC audited Respondent US Energy Assets.
42. Although Respondents US Energy Assets and Texas Victory represented the SEC audited Respondent US Energy Assets, the SEC did not actually audit Respondent US Energy Assets.

**UNDISCLOSED INFORMATION RELATING TO THE TERMS OF THE CASH  
BACK PROGRAM AND THE RISKS ASSOCIATED WITH THE PROTECTED UNITS**

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<sup>1</sup> On or around February 11, 2015, FINRA filed a Notice of Correction and on or around April 15, 2015, FINRA Filed a Second Notice of Correction. The Disciplinary Proceeding Number for the Second Notice of Correction and Order Accepting Offer of Settlement is Disciplinary Proceeding Number 2013036437502.

43. As described herein, Respondents claimed purchasers of protected units were being enrolled in a Cash Back Program administered by Timeless Protect.
44. As also described herein, principal from purchasers of protected units was purportedly deposited in a trust account and the trust account was fully insured by a corporate insurance policy issued by Aspen Re, a syndicate of Lloyds of London, and included a financial guarantee policy that lists clients as beneficiaries. The insurance premiums for the insurance policies were purportedly pre-paid by Timeless Protect.
45. Investors were not provided with the following information about the Cash Back Program and its trust account:
  - A. Investors were not told the trust account was managed by Clariant Capital Corporation and Sunil, its chairman, and they were not provided information material to Clariant Capital Corporation, including the identity of its principals, its principal place of business, its qualifications to manage the trust or its authority to manage funds maintained in the trust.
  - B. Investors were not provided information about other sources of funds commingled with their funds or the amount of funds from other sources commingled with their funds.
  - C. Investors were not provided with the value of funds managed by the trust or any other information that shows their funds would be covered by the \$3 million limitation on liability purportedly afforded by the corporate policy.
  - D. Investors were not told the corporate insurance policy for the trust account expires on June 25, 2020.
  - E. Investors were not told the corporate insurance policy for the trust account only covered instances of breach of duty, fraud and other misconduct of Clariant Capital Corporation as the manager of the trust account.
  - F. Investors were not told the strategy for managing funds maintained in the trust account.
46. Although Respondents described the Cash Back Program and its trust account and promised that purchasers of protected units could elect to receive payments from Timeless Protect as described herein, Timeless Protect actually retained the contractual right to unilaterally amend, modify, append and/or change the terms of the Cash Back Program and the benefits for purchasers of protected units.

#### REGISTRATION VIOLATIONS

47. Respondents were not registered as dealers or agents at any time material hereto.

48. The unprotected units were not registered by notification, coordination or qualification and no permit was issued for their sale in Texas.
49. The protected units were not registered by notification, coordination or qualification and no permit was issued for their sale in Texas.

**FRAUD AND DECEIT AND THE CONCEALMENT OF THE FINRA  
ENFORCEMENT ACTION AND THE SUSPENSION OF RESPONDENT BOYKIN**

50. In connection with the offer of protected and unprotected units, Respondents intentionally failed to disclose the information set forth herein relating to FINRA Disciplinary Proceeding No. 2013036437502, and this information constitutes a material fact.
51. As described herein, Respondents touted the experience, honesty, integrity and transparency of Respondents. These statements are materially misleading or otherwise likely to deceive the public because they did not disclose the information set forth herein relating to FINRA Disciplinary Proceeding No. 2013036437502.

**FRAUD AND DECEIT AND THE REPRESENTATIONS  
ABOUT THE PROFITABILITY OF INVESTMENTS IN THE DUKE #1**

52. As described herein, Respondents touted the success of investments tied to oil and gas drilling programs, in part, by referring to the purported success of investments tied to an oil and gas well located in Harrison County, Texas.
53. As also described herein, they referred to this well as the Duke #1, claimed the Duke #1 began producing in April 2019, and represented that purchasers of investments tied to the Duke #1 received a return of more than 10 percent two months later.
54. In connection with the offer of protected and unprotected units, Respondents intentionally failed to disclose that the Duke #1 did not produce oil in April 2019 or May 2019, and this information constitutes a material fact.

**FRAUD AND DECEIT  
AND THE REPRESENTATIONS REGARDING THE SEC AUDIT**

55. As described herein, Respondents US Energy Assets and Texas Victory touted the legitimacy of Respondent US Energy Assets, in part, by representing the SEC audited Respondent US Energy Assets.
56. Although Respondents US Energy Assets and Texas Victory represented the SEC audited Respondent US Energy Assets, the SEC did not actually audit Respondent US Energy Assets.



57. In connection with the offer of protected and unprotected units, Respondent US Energy Assets and Texas Victory knowingly misrepresented that the SEC audited Respondent US Energy Assets, and this misrepresentation constitutes a misrepresentation of a relevant fact.

FRAUD AND DECEIT AND CONCEALMENT OF THE  
IDENTITY OF THE PRINCIPALS OF TIMELESS PROTECT

58. As described herein, Timeless Protect, as managed by Lee, Joseph, and James, was the administrator of the Cash Back Program for purchasers of protected units.
59. Respondents offered protected units coupled with the Cash Back Program managed by Timeless Protect, and their statements were materially misleading or otherwise likely to deceive the public because they did not disclose the following information about the identity and management of Timeless Protect:
- A. They failed to disclose the identity of Lee, Joseph, and James, as well as any other managerial officers of Timeless Protect.
  - B. They failed to disclose the business repute and qualifications of Lee, Joseph, and James, as well as any other managerial officers of Timeless Protect.
  - C. They failed to disclose the experience of Lee, Joseph, and James in managing funds that generate returns for investors.

FRAUD AND DECEIT AND CONCEALMENT OF THE STRATEGY FOR  
GENERATING PAYMENTS FOR PURCHASERS OF PROTECTED UNITS

60. As described herein, the Cash Back Program entitled purchasers of protected units to the following payments regardless of the success or profitability of the underlying oil and gas project:
- A. After a three year term, purchasers of protected units may elect an early withdrawal from the Cash Back Program that pays an amount equal to 25 percent of principal invested with Timeless Protect and Respondent Texas Victory.
  - B. After a six year term, purchasers of protected units may elect an early withdrawal from the Cash Back Program that pays an amount equal to 50 percent of principal invested with Timeless Protect and Respondent Texas Victory.

- C. After a twelve year term, purchasers of protected units may elect to receive a full return of principal invested with Timeless Protect and Respondent Texas Victory.
61. Respondents offered protected units, and their statements are materially misleading or otherwise likely to deceive the public because they did not provide purchasers of protected units with material information relating to Timeless Protect's strategy for managing funds to generate payments equal to the principal invested with Timeless Protect and Respondent Texas Victory.

#### DECEIT AND THE PROMISE OF PAYMENTS

62. As described herein, Respondents promised purchasers of protected units they may elect to receive payments from Timeless Protect after three, six and twelve years.
63. These statements are materially misleading or otherwise likely to deceive the public because Timeless Protect actually retained the contractual right to unilaterally amend, modify, append, and/or change the terms of the Cash Back Program and the benefits for purchasers of protected units.

#### FRAUD AND DECEPTIVE PRACTICES IN CONNECTION WITH THE MANAGEMENT OF INVESTOR FUNDS IN A TRUST ACCOUNT

64. As described herein, principal sent to Timeless Protect for the Cash Back Program was purportedly held in a trust account, the trust account was purportedly fully insured by Lloyds of London and the insurance premiums for the trust account were purportedly pre-paid by Timeless Protect.
65. Respondents offered protected units, and their statements are materially misleading or otherwise likely to deceive the public because they did not disclose the following information:
- A. They did not disclose that the trust account is managed by Clariant Capital Corporation.
  - B. They did not disclose any material information about Clariant Capital Corporation, including the identity of Respondent Joseph and its principals, its principal place of business, its qualifications to manage the trust or its authority to manage funds maintained in the trust.
  - C. They did not disclose information about the commingling of their funds with other sources, including the identity of the sources of other funds and the amount of funds of other sources.
  - D. They did not disclose that the aggregate limit of liability on the insurance policy for the trust account is \$3 million, inclusive of all funds held in trust.

- E. They did not disclose the insurance policy for the trust account expires on June 25, 2020.
- F. They did not disclose the insurance policy for the trust account only covers instances of breach of duty, fraud and other misconduct of Clariant Capital Corporation as the manager of the trust account.

### CONCLUSIONS OF LAW

1. The units in the Texas Victory Joint Venture are securities as the term is defined by Section 4001.068 of the Securities Act.
2. Respondents violated Section 4003.001 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents violated Section 4004.051 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. Respondents engaged in fraud in connection with the offer for sale of securities.
5. Respondents made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
6. The foregoing Conclusions of Law constitute bases for setting aside the Emergency Order solely as it relates to Respondents pursuant to Section 4007.104(e) of the Securities Act, and bases for entering this order pursuant to Section 4007.102 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 solely as the Emergency Order relates to Respondents.

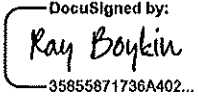
SIGNED AND ENTERED by the Securities Commissioner this 26<sup>th</sup> day of October, 2022.

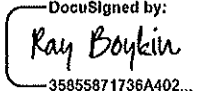


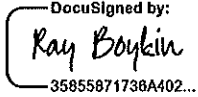
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TRAVIS J. ILES  
Securities Commissioner

**Respondents:**

By:   
\_\_\_\_\_  
U.S. Energy Assets, LLC  
By Raymond Boykin, Principal

By:   
\_\_\_\_\_  
Texas Victory Joint Venture  
By Raymond Boykin, Authorized Agent

By:   
\_\_\_\_\_  
Raymond Leslie Boykin

Approved as to Form:

By: Joe Rotunda  
Joe Rotunda (Jul 25, 2022 05:56 CDT)  
Joseph Rotunda  
Director  
Enforcement Division

By: DocuSigned by:  
Douglas C. Kittelson  
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Doug Kittelson  
Attorney for Respondents  
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Suite 1201  
Dallase, Texas 75206

By: Matthew Wise  
Matthew Wise  
Assistant Director  
Enforcement Division