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## Texas State Securities Board

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ROBERT BELT  
MEMBER

MELISSA TYROCH  
MEMBER

IN THE MATTER OF  
U.S. ENERGY ASSETS, LLC; TEXAS VICTORY JOINT  
VENTURE; TIMELESS PROTECT, LLC; RAYMOND  
LESLIE BOYKIN; MARK TAYLOR; DUANE LEE;  
SUNIL JOSEPH AKA JOSEPH SUNIL AND PAUL  
JAMES

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Order No. ENF-CDO-20-1792

**U.S. Energy Assets, LLC**, is being served by certified mail, return receipt requested, to 610 Uptown Boulevard, Suite 2000, Cedar Hill, Texas 75104, and 610 Uptown Boulevard, Suite 3100, Cedar Hill, Texas 75104, and by certified mail, return receipt requested, addressed to Raymond Leslie Boykin aka Robert Leslie Boykin, its registered agent, at 610 Uptown Boulevard, Suite 2000, Cedar Hill, Texas 75104, and 610 Uptown Boulevard, Suite 3100, Cedar Hill, Texas 75104.

**Texas Victory Joint Venture** is being served by certified mail, return receipt requested, to his attention at the addresses for US Energy Assets, LLC, and to the registered agent for US Energy Assets, LLC.

**Timeless Protect, LLC**, is being served by certified mail, return receipt requested, to 519 Cooper Industrial Parkway, Apopka, Florida 32703, and 2000 Argentina Road Plaza One, Suite 301, Mississauga, Ontario, Canada L5N 1P7, and by certified mail, return receipt requested, to Duane Lee, its registered agent in Florida, at 6965 Piazza Grande Avenue, Suite 407, Orlando, Florida 32835.

**Raymond Leslie Boykin aka Robert Leslie Boykin** is being served by certified mail, return receipt requested, to his attention at the addresses for US Energy Assets, LLC, and to the registered agent for US Energy Assets, LLC.

**Mark Taylor** is being served by certified mail, return receipt requested, to his attention at the addresses for US Energy Assets, LLC, and to the registered agent for US Energy Assets, LLC.

**Duane Lee** is being served by certified mail, return receipt requested, to his attention at the addresses for Timeless Protect, LLC, and by certified mail, return receipt requested, addressed the registered agent for Timeless Protect, LLC.

**Sunil Joseph aka Joseph Sunil** is being served by certified mail, return receipt requested, to his attention at the addresses for Timeless Protect, LLC, and by certified

mail, return receipt requested, addressed the registered agent for Timeless Protect, LLC.

**Paul James**, is being served by certified mail, return receipt requested, to his attention at the addresses for Timeless Protect, LLC, and by certified mail, return receipt requested, addressed the registered agent for Timeless Protect, LLC.

### **EMERGENCY CEASE AND DESIST ORDER**

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (the "**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-45 (West, Westlaw through 2019 R. Sess.) (the "**Securities Act**").

The Enforcement Division of the Texas State Securities Board (the "**Enforcement Division**") has presented evidence sufficient for the Securities Commissioner to find:

#### **FINDINGS OF FACT**

1. Raymond Leslie Boykin was registered as a securities agent through FINRA. On March 5, 2015, FINRA suspended his registration, and Mr. Boykin is no longer registered to sell securities.
2. Mr. Boykin formed US Energy Assets, LLC, and it has been offering unregistered investments tied to oil and gas drilling programs to Texas residents.
3. Robert J. Mangiafico, Jr., is a white-collar criminal.<sup>1</sup> He was convicted of theft and money laundering for stealing from elderly widows. He was sentenced to serve 40 years in state prison but was recently released on parole.
4. Mr. Mangiafico has been acting as a sales agent for US Energy Assets, LLC. He has been offering and selling its unregistered investments in oil and gas drilling programs in and from Texas.
5. US Energy Assets, LLC, by and through its unregistered sales agents, are now claiming its unregistered investments in oil and gas drilling programs are protected by Timeless Protect, LLC.
6. Timeless Protect, LLC, purportedly guarantees purchasers of unregistered investments in oil and gas drilling programs will receive payments regardless of the performance of the oil and gas drilling programs.
7. Timeless Protect, LLC, purports to administer the guarantee by managing investor funds in an insured trust account, but it is commingling the investor funds with other

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<sup>1</sup> The Securities Commissioner, contemporaneously with the entry of this Emergency Cease and Desist Order, is entering a separate Emergency Cease and Desist Order against Mangiafico.

assets and concealing material information associated with its ability to satisfy the purported guarantee.

8. As described herein, the entire scheme to sell these investments in unregistered oil and gas drilling programs is illegal, deceptive and fraudulent. The Securities Commissioner is now entering this Emergency Cease and Desist Order to protect Texans from immediate and irreparable harm.

#### THE RESPONDENTS

9. U.S. Energy Assets, LLC ("**Respondent US Energy Assets**") is a Texas Limited Liability Company that can be served with process at 610 Uptown Boulevard, Suite 2000, Cedar Hill, Texas 75104, and 610 Uptown Boulevard, Suite 3100, Cedar Hill, Texas 75104. Respondent US Energy Assets can also be served with process through Raymond Leslie Boykin aka Robert Leslie Boykin, its Registered Agent for Service of Process, at 610 Uptown Boulevard, Suite 2000, Cedar Hill, Texas 75104, and 610 Uptown Boulevard, Suite 3100, Cedar Hill, Texas 75104.
10. Texas Victory Joint Venture ("**Respondent Texas Victory**") is a Texas Joint Venture that was formed on September 27, 2019. It can be served with process through Respondent US Energy Assets, its Managing Venturer, at the addresses for Respondent US Energy Assets, and through the Registered Agent for Service of Process for Respondent US Energy Assets.
11. Timeless Protect, LLC ("**Respondent Timeless Protect**") is a Florida Limited Liability Company that can be served with process at 519 Cooper Industrial Parkway, Apopka, Florida 32703, and 2000 Argentina Road Plaza One, Suite 301, Mississauga, Ontario, Canada L5N 1P7. It can also be served with process through Duane Lee, its Registered Agent for Service of Process in Florida, at 6965 Piazza Grande Avenue, Suite 407, Orlando, Florida 32835.
12. Raymond Leslie Boykin aka Robert Leslie Boykin ("**Respondent Boykin**") is the Organizer of Respondent US Energy Assets, sole Member of Respondent US Energy Assets and the Manager, President and Chief Executive Officer of Respondent US Energy Assets. Respondent Boykin may be served with process at the addresses for Respondent US Energy Assets and through the Registered Agent for Service of Process for Respondent US Energy Assets.
13. Mark Taylor ("**Respondent Taylor**") claims to be the Senior Vice President of Respondent US Energy Assets. He may be served with process at the addresses for Respondent US Energy Assets and through the Registered Agent for Service of Process for Respondent US Energy Assets.
14. Duane Lee ("**Respondent Lee**") claims to be the Chief Executive Officer of Respondent Timeless Protect and is the Florida Registered Agent for Service of Process for Respondent Timeless Protect. He can be served with process at the address for Respondent Timeless Protect and in his capacity as Registered Agent for Service of Process for Respondent Timeless Protect.

15. Sunil Joseph aka Joseph Sunil ("**Respondent Joseph**") is a Manager of Respondent Timeless Protect. He can be served with process at the address for Respondent Timeless Protect and through the Registered Agent for Service of Process for Respondent Timeless Protect.
16. Paul James ("**Respondent James**") is a Manager of Respondent Timeless Protect. He can be served with process at the address for Respondent Timeless Protect and through the Registered Agent for Service of Process for Respondent Timeless Protect.

#### THE OPERATIONS OF RESPONDENT US ENERGY ASSETS

17. 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, and Respondent Taylor claims to be its Senior Vice President.
18. Respondent US Energy Assets is involved in the exploration of oil and gas wells in Oklahoma, Louisiana, Kansas, and Texas, and it is now focusing on exploring oil and gas wells in Texas.
19. Respondents US Energy Assets, Boykin and Taylor are touting the management and expertise of Respondent US Energy Assets as follows:
  - A. Respondents US Energy Assets, Boykin and Taylor are claiming 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, Boykin and Taylor are representing that 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, Boykin and Taylor are touting their experience, honesty, integrity, transparency and commitment to their partners.
20. Respondents US Energy Assets is now offering and selling investments in oil and gas drilling programs, and they are touting the success of the investments in oil and gas drilling programs.
21. Respondents US Energy Assets, Texas Victory and Taylor are touting 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 are representing as follows:
  - A. Respondents US Energy Assets, Texas Victory and Taylor are referring to this well as the Duke #1.

- B. Respondents US Energy Assets, Texas Victory and Taylor claim the Duke #1 began producing in April 2019.
  - C. Respondents US Energy Assets, Texas Victory and Taylor claim purchasers of investments tied to the Duke #1 received a return of more than 10 percent two months later.
22. Respondents US Energy Assets, Texas Victory and Taylor are also touting 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 ASSETS, BOYKIN AND TAYLOR ARE NOW OFFERING UNITS IN A JOINT VENTURE THAT WILL EXPLORE AN OIL WELL

23. Respondent US Energy Assets is the Managing Venturer of Respondent Texas Victory, a Texas Joint Venture formed on or around September 27, 2019.
24. Respondent Texas Victory recently 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.
25. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are now offering the units issued by Respondent Texas Victory (the “**unprotected units**”).
26. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are also offering units issued by Respondent Texas Victory that are purportedly protected by Respondent Timeless Protect (the “**protected units**”).

THE UNPROTECTED UNITS  
ISSUED BY RESPONDENT TEXAS VICTORY

27. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are offering unprotected units for \$220,000.00 per unprotected unit or \$27,500.00 per one-eighth unprotected unit payable to Respondent Texas Victory.
28. Purchasers of unprotected units are classified as “non-operators” and have no substantial authority over or involvement in the operations of Respondent Texas Victory.
29. Purchasers of unprotected units must appoint Respondent US Energy Assets as their attorney-in-fact regarding all authorities and expenditures.
30. On or after December 31, 2019, Respondent Texas Victory will commence exploration of the #1H Duchess. It will 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.

31. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are touting the profitability of the units, and Respondent Taylor is telling potential investors they will begin to receive a “cash on cash return in 24 to 36 months.”

THE PROTECTED UNITS ISSUED  
BY RESPONDENTS TEXAS VICTORY AND TIMELESS PROTECT

32. Respondents are offering 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 Respondent Timeless Protect.
33. The protected units are the same as the unprotected units except that purchasers of protected units are being enrolled in a Cash Back Program managed by Respondents Timeless Protect, Lee, Joseph and James.

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

34. Respondents Timeless Protect and Lee are describing Respondent Timeless Protect and its Cash Back Program as follows:
  - A. Respondent Timeless Protect’s directors and founders have more than 50 years of experience in the investment, property development, sales, marketing, and structured finance industry.
  - B. Respondent Timeless Protect has operated for around three years, is involved in 25 to 30 different industries and is active in 30 countries, and its business continues to grow because of its “bulletproof” structure.
  - C. Respondent Timeless Protect now deals with 13 companies involved in oil and gas drilling and exploration.
  - D. Respondent Timeless Protect recognizes that oil and gas drilling and exploration involves an element of risk and the Cash Back Program eliminates the risk.
  - E. The Cash Back Program is not insurance, but it serves as an “absolute guarantee” that money will be paid to the investor at the end of the term, even if Respondent Timeless Protect and affiliated oil companies go out of business and the associated oil wells cease to exist.
35. Respondent Timeless Protect, as managed by Respondents Lee, Joseph, and James, is the administrator of the Cash Back Program.

36. Principal sent to Respondent Timeless Protect for the Cash Back Program, less an eight percent fee, is purportedly held in a trust account.
37. The Cash Back Program entitles 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 Respondents Texas Victory and Timeless Protect.
  - 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 Respondents Texas Victory and Timeless Protect.
  - C. After a twelve year term, purchasers of protected units may elect to receive a full return of principal invested with Respondents Texas Victory and Timeless Protect.
38. The trust account is purportedly fully insured by a corporate insurance policy issued by Aspen Re, a syndicate of Lloyds of London, and a financial guarantee policy that lists clients as beneficiaries. The insurance premiums for the insurance policies are purportedly pre-paid by Respondent Timeless Protect.

#### THE PRIOR DISCIPLINARY ORDER AGAINST RESPONDENT BOYKIN

39. As described herein, Respondents US Energy Assets, Texas Victory, Boykin and Taylor are touting the business repute and qualifications of Respondent Boykin.
40. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are not telling investors that, Respondent Boykin was previously registered with the Financial Industry Regulatory Authority, Inc. (“**FINRA**”).
41. 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>2</sup>
42. 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.

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<sup>2</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. 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.

RESPONDENT US ENERGY ASSETS  
AND THE SALE OF INVESTMENTS BY A WHITE-COLLAR CRIMINAL

44. As described herein, Respondents US Energy Assets, Texas Victory, Boykin and Taylor are touting the experience, honesty, integrity and transparency of Respondents US Energy Assets, Boykin and Taylor.
45. Although Respondents US Energy Assets, Texas Victory, Boykin and Taylor are touting experience, honesty, integrity and transparency, Respondent Mangiafico has been an agent of Respondent US Energy Assets and has sold investments on behalf of Respondent US Energy Assets.
46. Mangiafico is a paroled white-collar criminal and has been prosecuted for at least six felonies and an enhanced misdemeanor. These prosecutions include the following:
- A. Mangiafico was recently prosecuted for theft and money laundering for stealing \$655,000 from elderly widows. On or about September 18, 2013, he was convicted of convicted of theft in excess of \$200,000.00, a first-degree felony, and sentenced to serve 40 years in state prison in State v. Mangiafico Case No. 380-8074972011, in the 380th Judicial District Court for Collin County, Texas. On the same day, he was also convicted of money laundering in excess of \$200,000.00, a first-degree felony, and sentenced to serve 40 years in state prison in State v. Mangiafico, Case No. 380-80749-2011.
  - B. On or about July 29, 2010, Mangiafico pleaded guilty to theft of \$20,000.00 or more but less than \$100,000.00 from an elderly individual, a second-degree felony, in State v. Mangiafico, Case No. D-1-DC-08-302443 in the 403rd Judicial District Court of Travis County, Texas. He was later ordered to serve a 10-year term of deferred adjudication community supervision, conditioned by a requirement that Mangiafico pay \$21,646.33 to victims of his crime.
  - C. On or about July 29, 2010, Mangiafico pleaded guilty to theft of \$1,500.00 or more but less than \$20,000.00, a state jail felony, State v. Mangiafico, Case No. D-1-DC-09-900161 in the 403rd Judicial District Court of Travis County, Texas. He was sentenced to serve 30 days in county jail pursuant to Section 12.44A of the Texas Penal Code.
  - D. On or about October 20, 2009, Mangiafico pleaded guilty to driving/boating while intoxicated, an enhanced offense, in State v. Mangiafico, Case No.

CR-2008-07237-E in Criminal Court No. 5 of Denton County, Texas. He was sentenced to serve 100 days in county jail.

- E. On or about August 25, 2003, Mangiafico pleaded guilty and true to the unauthorized use of a motor vehicle, a state jail felony, in State v. Mangiafico, in Case No. 199-80212-03 in the 380th Judicial District Court of Collin County, Texas. He was later sentenced to serve the maximum sentence of 180 days in a state jail facility.
  - F. On or about June 30, 2003, Mangiafico pleaded guilty to theft of property of the value of \$1,500.00 or more but less than \$20,000.00, a state jail felony, in State v. Mangiafico, Case No. F-02-35355-IM in the 194th Criminal District Court of Dallas County, Texas. He was sentenced to serve 180 days in a Texas state jail facility.
47. Mangiafico was recently released from prison on parole, and he has been offering and selling investments in oil and gas drilling programs on behalf of Respondents US Energy Assets and Boykin while on parole.

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

- 48. As described herein, Respondents US Energy Assets, Texas Victory and Taylor are touting 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.
- 49. As also described herein, they are referring to this well as the Duke #1, claiming the Duke #1 began producing in April 2019, and representing that purchasers of investments tied to the Duke #1 received a return of more than 10 percent two months later.
- 50. Although they are claiming 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

- 51. As described herein, Respondents US Energy Assets, Texas Victory and Taylor are touting the legitimacy of Respondent US Energy Assets, in part, by representing the SEC audited Respondent US Energy Assets.
- 52. Although Respondents US Energy Assets, Texas Victory and Taylor are representing 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

53. As described herein, Respondents are claiming purchasers of protected units are being enrolled in a Cash Back Program administered by Respondent Timeless Protect.
54. As also described herein, principal from purchasers of protected units is purportedly deposited in a trust account and the trust account is fully insured by a corporate insurance policy issued by Aspen Re, a syndicate of Lloyds of London, and includes a financial guarantee policy that lists clients as beneficiaries. The insurance premiums for the insurance policies are purportedly pre-paid by Respondent Timeless Protect.
55. Investors are not being provided with the following information about the Cash Back Program and its trust account:
  - A. Investors are not being told the trust account is managed by Clariant Capital Corporation and Respondent Sunil, its chairman, and they are not being 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 are not being 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 are not being provided with the value of funds managed by the trust or any other information that shows their funds will be covered by the \$3 million limitation on liability purportedly afforded by the corporate policy.
  - D. Investors are not being told the corporate insurance policy for the trust account expires on June 25, 2020.
  - E. Investors are not being told the corporate 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.
  - F. Investor are not being told the strategy for managing funds maintained in the trust account.
56. Although Respondents are describing the Cash Back Program and its trust account and promising that purchasers of protected units may elect to receive payments from Respondent Timeless Protect as described herein, Respondent Timeless Protect actually retains 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.

### THE UNDISCLOSED UNDERTAKING FILED BY RESPONDENT JAMES

57. The Ontario Securities Commission investigated Respondent James and others suspected of violating securities laws.
58. Respondent James filed an undertaking relating to his dealings in securities with the Ontario Securities Commission.
59. Respondents Timeless Protect and James are not disclosing the undertaking to potential purchasers of protected units.

### REGISTRATION VIOLATIONS

60. Respondents have not been registered as dealers or agents at any time material hereto.
61. The unprotected units have not been registered by notification, coordination or qualification and no permit has been issued for their sale in Texas.
62. The protected units have not been registered by notification, coordination or qualification and no permit has been issued for their sale in Texas.
63. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are relying on Regulation D, Rule 506, and claiming to limit sales of the protected and unprotected units to accredited investors. This federal regulation serves as a basis for preempting the Texas State Securities Board from administering a state law that protects investors by requiring the registration of securities.
64. Although Respondents US Energy Assets, Texas Victory, Boykin and Taylor are relying on Regulation D, Rule 506, the protected and unprotected units do not qualify for safe harbor pursuant to Regulation D, Rule 506, because:
  - A. Respondent US Energy Assets is selling units issued by Respondent Texas Victory to unaccredited investors.
  - B. Respondent US Energy Assets is not taking reasonable steps to verify that all purchasers of protected and unprotected units are, in fact, accredited investors.

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

65. In connection with the offer of protected and unprotected units, Respondents US Energy Assets, Texas Victory and Boykin are intentionally failing to disclose the information set forth herein relating to FINRA Disciplinary Proceeding No. 2013036437502, and this information constitutes a material fact.

66. As described herein, Respondents US Energy Assets, Texas Victory, Boykin and Taylor are touting the experience, honesty, integrity and transparency of Respondents US Energy Assets, Boykin and Taylor. These statements are materially misleading or otherwise likely to deceive the public because they are not disclosing the information set forth herein relating to FINRA Disciplinary Proceeding No. 2013036437502.

**FRAUD AND DECEIT AND THE WHITE-COLLAR CRIMINAL  
ACTING AS AN AGENT OF RESPONDENT US ENERGY ASSETS**

67. In connection with the offer of protected and unprotected units, Respondents US Energy Assets and Boykin are intentionally failing to disclose that Mangiafico has been an agent of Respondent US Energy Assets and the information set forth herein relating to his criminal conviction for theft and money laundering for stealing from elderly widows, and this information constitutes a material fact.
68. As described herein, Respondents US Energy Assets, Boykin and Taylor are touting their experience, honesty, integrity, transparency and commitment to their partners. These statements are materially misleading or otherwise likely to deceive the public because they are not disclosing that Mangiafico has been an agent of Respondent US Energy Assets and the information set forth herein relating to his criminal convictions.

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

69. As described herein, Respondents US Energy Assets, Texas Victory and Taylor are touting 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.
70. As also described herein, they are referring to this well as the Duke #1, claiming the Duke #1 began producing in April 2019, and representing that purchasers of investments tied to the Duke #1 received a return of more than 10 percent two months later.
71. In connection with the offer of protected and unprotected units, Respondent US Energy Assets and Texas Victory are intentionally failing to disclose that the Duke #1 did not produce oil in April 2019 or May 2019, and this information constitutes a material fact.
72. Respondent Taylor's representations are materially misleading or otherwise likely to deceive the public because production records reflect that the Duke #1 did not produce oil in April 2019 or May 2019.

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

73. As described herein, Respondents US Energy Assets, Texas Victory and Taylor are touting the legitimacy of Respondent US Energy Assets, in part, by representing the SEC audited Respondent US Energy Assets.
74. Although Respondents US Energy Assets, Texas Victory and Taylor are representing the SEC audited Respondent US Energy Assets, the SEC did not actually audit Respondent US Energy Assets.
75. In connection with the offer of protected and unprotected units, Respondent US Energy Assets and Texas Victory are knowingly misrepresenting that the SEC audited Respondent US Energy Assets, and this misrepresentation constitutes a misrepresentation of a relevant fact.
76. Respondent Taylor's representations regarding the SEC audit are materially misleading or otherwise likely to deceive the public because the SEC did not actually audit Respondent US Energy Assets.

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

77. As described herein, Respondent Timeless Protect, as managed by Respondents Lee, Joseph, and James, is the administrator of the Cash Back Program for purchasers of protected units.
78. Respondents Timeless Protect, Lee, Joseph, and James are intentionally failing to disclose the following information about their identity and management of Respondent Timeless Protect:
  - A. They are intentionally failing to disclose the identity of all other managerial officers of Respondent Timeless Protect, and this information constitutes material facts.
  - B. They are intentionally failing to disclose the business repute and qualifications of all managerial officers of Respondent Timeless Protect, and this information constitutes material facts.
  - C. They are intentionally failing to disclose the experience of the managerial officers of Respondent Timeless Protect in administering trusts and managing funds that generate returns for investors, and this information constitutes material facts.
79. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are offering protected units coupled with the Cash Back Program managed by Respondent Timeless Protect, and their statements are materially misleading or otherwise likely to deceive the public because they are not disclosing the following information about the identity and management of Respondent Timeless Protect:

- A. They are failing to disclose the identity of Respondents Lee, Joseph, and James, as well as any other managerial officers of Respondent Timeless Protect.
- B. They are failing to disclose the business repute and qualifications of Respondents Lee, Joseph, and James, as well as any other managerial officers of Respondent Timeless Protect, and this information constitutes material facts.
- C. They are failing to disclose the experience of Respondents 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

- 80. As described herein, the Cash Back Program entitles purchasers of protected units 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 Respondents Texas Victory and Timeless Protect.
  - 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 Respondents Texas Victory and Timeless Protect.
  - C. After a twelve year term, purchasers of protected units may elect to receive a full return of principal invested with Respondents Texas Victory and Timeless Protect.
- 81. In connection with the offer of the protected units, Respondents Timeless Protect, Lee, Joseph, and James are intentionally failing to disclose the strategy for managing funds to generate payments equal to the principal invested with Respondents Texas Victory and Timeless Protect.
- 82. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are offering protected units, and their statements are materially misleading or otherwise likely to deceive the public because they are not providing purchasers of protected units with material information relating to Respondent Timeless Protect's strategy for managing funds to generate payments equal to the principal invested with Respondents Texas Victory and Timeless Protect.

## DECEIT AND THE PROMISE OF PAYMENTS

83. As described herein, Respondents are promising purchasers of protected units they may elect to receive payments from Respondent Timeless Protect after three, six and twelve years.
84. These statements are materially misleading or otherwise likely to deceive the public because Respondent Timeless Protect actually retains 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

85. As described herein, principal sent to Respondent Timeless Protect for the Cash Back Program is purportedly held in a trust account, the trust account is purportedly fully insured by Lloyds of London and the insurance premiums for the trust account were purportedly pre-paid by Respondent Timeless Protect.
86. In connection with the offer of protected units, Respondents Timeless Protect, Lee, Joseph, and James are intentionally failing to disclose the following information:
  - A. They are intentionally failing to disclose any material information about Clariant Capital Corporation and its qualifications to manage the trust or its authority to manage funds maintained in the trust, and this information constitutes material facts.
  - B. They are intentionally failing to disclose the sources of other funds that are commingled with principal used to purchase protected units and the amount of other funds that will be commingled with principal used to purchase protected units.
87. Respondents US Energy Assets, Texas Victory, Boykin and Taylor are offering protected units, and their statements are materially misleading or otherwise likely to deceive the public because they are not disclosing the following information:
  - A. They are not disclosing that the trust account is managed by Clariant Capital Corporation.
  - B. They are not disclosing 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 are not disclosing 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 are not disclosing 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 are not disclosing the insurance policy for the trust account expires on June 25, 2020.
- F. They are not disclosing 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.

#### FRAUD AND DECEIT AND CONCEALMENT OF THE UNDERTAKING BY THE ONTARIO SECURITIES COMMISSION

- 88. As described herein, the Ontario Securities Commission investigated Respondent James and Respondent James filed an undertaking relating to his dealings in securities with the Ontario Securities Commission.
- 89. In connection with the offer of protected units, Respondents Timeless Protect and James are intentionally failing to disclose the undertaking to prospective purchasers of protected units, and this information constitutes a material fact.
- 90. Respondents Timeless Protect and James are offering protected units to the public and describing the business of Respondent Timeless Protect and the authority of Respondent James, and their statements are materially misleading or otherwise likely to deceive the public because they are not disclosing the undertaking.

#### CONCLUSIONS OF LAW

- 1. The protected units and the unprotected units are securities as the term is defined by Section 4.A of the Texas Securities Act.
- 2. Respondents are violating Section 7 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 are violating 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. Respondents are engaging in fraud in connection with the offer for sale of securities.
- 5. Respondents have made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
- 6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.

7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas 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 Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

### NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 22<sup>nd</sup> day of November, 2019.



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TRAVIS J. ILES  
Securities Commissioner