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### Texas State Securities Board

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BRYAN K. BROWN  
MEMBER

### SSB Docket No. 03-025

**IN THE MATTER OF  
AMERI-Q ENERGY, INC.;  
ULRIC JACK SWEESY;  
MICHAEL O'REILLY;  
MIKE WIESSING; AND  
BLAKE CUMMINGS**

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**Order No. CDO-1516**

**TO: Ameri-Q Energy, Inc.  
5000 Quorum Drive, Suite 480  
Dallas, Texas 75254  
and  
800 E. Campbell Road, Suite 199  
Richardson, Texas 75081  
and  
305 Spring Creek Village, Suite 523  
Dallas, Texas 75248**

**Ulric Jack Sweesy  
5000 Quorum Drive, Suite 480  
Dallas, Texas 75254**

**Michael O'Reilly  
5000 Quorum Drive, Suite 480  
Dallas, Texas 75254**

**Mike Wiessing  
5000 Quorum Drive, Suite 480  
Dallas, Texas 75254**

**Blake Cummings  
5000 Quorum Drive, Suite 480  
Dallas, Texas 75254**

### EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2003) ("Texas Securities Act").

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

## FINDINGS OF FACT

1. Ameri-Q Energy, Inc. a/k/a Ameri-Q, Inc. f/k/a Americana Oil & Gas Corporation and Quality Petroleum, Inc. ("Respondent Ameri-Q") is a Texas corporation whose last known addresses are 5000 Quorum Drive, Suite 480, Dallas, Texas 75254; 800 E. Campbell Road, Suite 199, Richardson, Texas 75081; and 305 Spring Creek Village, Suite 523, Dallas, Texas 75248.
2. Ulric Jack Sweesy a/k/a Jack Sweesy a/k/a Jack Taylor ("Respondent Sweesy") is an individual who, at all times material to this Order has been a principal of Respondent Ameri-Q, and whose last known business address is 5000 Quorum Drive, Suite 480, Dallas, Texas 75254.
3. Michael O'Reilly a/k/a Michael Riley ("Respondent O'Reilly") is an individual who, at all times material to this Order has been President of Respondent Ameri-Q, and whose last known business address is 5000 Quorum Drive, Suite 480, Dallas, Texas 75254.
4. Michael Wiessing ("Respondent Wiessing") is an individual who, at all times material to this Order has been a sales representative of Respondent Ameri-Q as described herein, and whose last known business address is 5000 Quorum Drive, Suite 480, Dallas, Texas 75254.
5. Blake Cummings ("Respondent Cummings") is an individual who, at all times material to this Order has been a sales representative of Respondent Ameri-Q as described herein, and whose last known business address is 5000 Quorum Drive, Suite 480, Dallas, Texas 75254.
6. On or about September 17, 2002, Respondents Ameri-Q, Sweesy, and O'Reilly, by and through their representatives, contacted a Pennsylvania resident (the "Pennsylvania Offeree") and made available for purchase working interests in an oil and gas drilling project known as the Prairie III Project ("Prairie III Project").
7. On or about September 18, 2002, Respondents Ameri-Q, Sweesy, and O'Reilly sent, or caused to be sent, to the Pennsylvania Offeree offering documents for the Prairie III Project, a two-well project to be located in Hardeman County, Texas and Monroe County, Mississippi. The offering documents for the Prairie III Project states that 10 units of fractional undivided working interests are being offered for purchase at a turnkey cost of \$85,848.00 per unit, \$56,485.00 for drilling and testing costs, and \$29,363.00 for completion costs. Each unit has a seven (7%) percent working interest and a five and quarter (5.25%) percent net revenue interest in the project wells.
8. Respondents Ameri-Q, Sweesy, and O'Reilly, in connection with the offer for sale of units of working interest in the Prairie III Project, did not disclose in the offering documents that:

- a. the address for Respondent Ameri-Q is the premises of a private mail box suite;
  - b. Respondents Sweesy and O'Reilly are controlling principals of Respondent Ameri-Q;
  - c. Respondent Sweesy was convicted of mail fraud and wire fraud in the United States District Court, Northern District of Ohio, Eastern Division, Case No. CR-84-143, on or about October 4, 1984;
  - d. Respondent Ameri-Q is an entity created by the merger of Americana Oil & Gas Corporation and Quality Petroleum, Inc.;
  - e. the Securities Commission of the State of Pennsylvania issued a Summary Order to Cease and Desist against Americana Oil & Gas Corporation and Jack Taylor on or about January 22, 2002;
  - f. the Commissioner of Securities for the State of Missouri issued an Order to Cease and Desist against Americana Oil & Gas Corporation on or about May 18, 1999;
  - g. the Superintendent of Securities of the State of Iowa issued a Cease and Desist Order against Americana Oil & Gas Corporation on or about January 20, 1999;
  - h. the Administrator of the Nevada Securities Division issued a Cease and Desist Order against Quality Petroleum, Inc. on or about April 14, 1999; and
  - i. the Securities Commissioner of the State of Kansas issued a Cease and Desist Consent Order against Quality Petroleum, Inc. and Michael Riley on or about June 25, 1997.
9. On or about May 8, 2003, Respondents Ameri-Q, Sweesy, and O'Reilly, by and through Respondent Wiessing, contacted an Arizona resident (the "Arizona Offeree") to evaluate the Arizona Offeree's interest in and make available for purchase a working interest in an oil and gas drilling project known as the Winkler Project ("Winkler Project").

Respondent Wiessing, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, represented to the Arizona Offeree that the Respondent Ameri-Q was a twenty-two (22) year old company owned by Jack Taylor.

Respondent Wiessing, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, also represented to the Arizona Offeree that the Respondent Ameri-Q had over one hundred twenty (120) wells drilled in the past five (5) years with only two (2) unsuccessful.

Respondent Wiessing, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, also represented to the Arizona Offeree there was no risk in the Winkler Project and stressed the safety of investors' principal.

10. In or about May, 2003, Respondents Ameri-Q, Sweesy, and O'Reilly, by and through Respondent Cummings, also contacted the Arizona Offeree to evaluate the Arizona Offeree's interest in and make available for purchase a working interest in the Winkler Project.

Respondent Cummings, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, represented to the Arizona Offeree there was no risk in the Winkler Project and stressed the safety of investors' principal.

11. In or about May, 2003, Respondents Ameri-Q, Sweesy, and O'Reilly, sent or caused to sent, to the Arizona Offeree offering documents for the Winkler Project, a two-well project to be located in Winkler County, Texas. The offering documents for the Winkler Project state that 13 units of fractional undivided working interests are being offered for purchase at a turnkey cost of \$79,113.00 per unit, \$55,550.00 for drilling and testing costs, and \$23,563.00 for completion costs. Each unit has a 5.39% working interest and a 4.04% net revenue interest in the project wells.

12. Respondents Ameri-Q, Sweesy, and O'Reilly in connection with the offer for sale of units of a working interest in the Winkler Project did not disclose in the offering documents that:

- a. the address for Respondent Ameri-Q is the premises of a private mail box suite;
- b. Respondents Sweesy and O'Reilly are controlling principals of Respondent Ameri-Q;
- c. Respondent Sweesy was convicted of mail fraud and wire fraud in the United States District Court, Northern District of Ohio, Eastern Division, Case No. CR-84-143, on or about October 4, 1984;
- d. Respondent Ameri-Q is an entity created by the merger of Americana Oil & Gas Corporation and Quality Petroleum, Inc.;
- e. the Securities Commission of the State of Pennsylvania issued a Summary Order to Cease and Desist against Ameri-Q, Inc. on or about October 22, 2002;
- f. the Securities Commission of the State of Pennsylvania issued a Summary Order to Cease and Desist against Americana Oil & Gas Corporation and Jack Taylor on or about January 22, 2002;

- g. the Commissioner of Securities for the State of Missouri issued an Order to Cease and Desist against Americana Oil & Gas Corporation on or about May 18, 1999;
  - h. the Superintendent of Securities of the State of Iowa issued a Cease and Desist Order against Americana Oil & Gas Corporation on or about January 20, 1999;
  - i. the Administrator of the Nevada Securities Division issued a Cease and Desist Order against Quality Petroleum, Inc. on or about April 14, 1999; and
  - j. the Securities Commissioner of the State of Kansas issued a Cease and Desist Consent Order against Quality Petroleum, Inc. and Michael Riley on or about June 25, 1997.
13. The units of working interest in the Prairie III and Winkler Projects have not been registered with the Securities Commissioner by qualification, notification or coordination and no permit has been granted for their sales in Texas.
14. Respondents Ameri-Q, Sweesy, O'Reilly, Wiessing, and Cummings (collectively "Respondents"), at all times relevant to this Order, were not registered with the Securities Commissioner as securities dealers, agents, investment advisers, or investment adviser representatives.

#### CONCLUSIONS OF LAW

- 1. The units of working interest in the Prairie III and Winkler Projects are interests in or under an oil, gas or mineral lease and are "securities" as the term "securities" is defined in Section 4.A of the Texas Securities Act.
- 2. Respondents have engaged in the "offer for sale" of securities as the term "offer for sale" is defined in Section 4.E of the Texas Securities Act.
- 3. Respondents violated the Texas Securities Act by offering for sale securities in Texas at a time when the securities were not registered with the Securities Commissioner, as required by Section 7 of the Texas Securities Act.
- 4. Respondents have acted as "dealers" and/or "agents" as the terms "dealers" and "agents" are defined in Sections 4.C and 4.D of the Texas Securities Act.
- 5. Respondents violated the Texas Securities Act by offering for sale securities in Texas at a time when the Respondents were not registered with the Securities Commissioner, as required by Section 12 of the Texas Securities Act.

6. Respondents Ameri-Q, Sweesy, and O'Reilly have made offers for sale of securities in Texas and those offers are materially misleading or otherwise likely to deceive the public, in light of the fact that Respondents Ameri-Q, Sweesy, and O'Reilly failed to disclose in the offering documents for the Prairie III Project that:
  - a. the address for Respondent Ameri-Q is the premises of a private mail box suite;
  - b. Respondents Sweesy and O'Reilly are controlling principals of Respondent Ameri-Q;
  - c. Respondent Sweesy was convicted of mail fraud and wire fraud in the United States District Court, Northern District of Ohio, Eastern Division, Case No. CR-84-143, on or about October 4, 1984;
  - d. Respondent Ameri-Q is an entity created by the merger of Americana Oil & Gas Corporation and Quality Petroleum, Inc.;
  - e. the Securities Commission of the State of Pennsylvania issued a Summary Order to Cease and Desist against Americana Oil & Gas Corporation and Jack Taylor on or about January 22, 2002;
  - f. the Commissioner of Securities for the State of Missouri issued an Order to Cease and Desist against Americana Oil & Gas Corporation on or about May 18, 1999;
  - g. the Superintendent of Securities for the State of Iowa issued a Cease and Desist Order against Americana Oil & Gas Corporation on or about January 20, 1999;
  - h. the Administrator of the Nevada Securities Division issued a Cease and Desist Order against Quality Petroleum, Inc. on or about April 14, 1999; and
  - i. the Securities Commissioner of the State of Kansas issued a Cease and Desist Consent Order against Quality Petroleum, Inc. and Michael Riley on or about June 25, 1997.
7. Respondent Wiessing's representation, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, that Respondent Ameri-Q was a twenty-two (22) year old company is materially misleading or would otherwise likely deceive the public, in light of the fact that: (i) Respondent Ameri-Q incorporated with the Texas Secretary of State on or about January 19, 1999, and (ii) Respondent Ameri-Q's principal, Respondent Sweesy, was convicted of mail fraud and wire fraud and sentenced to two (2) years incarceration, in the United States District Court for the Northern District of Ohio, Eastern Division, Case No. CR-84-143, on or about October 4, 1984.

8. Respondent Wiessing's representation, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, of no risk in the Winkler Project, is materially misleading or would otherwise likely deceive the public, in light of the risks associated with developmental oil and gas drilling projects, including, at a minimum, the risks of cost overruns, a dry-hole, and liabilities for cleanup.
9. Respondent Cumming's representation, on behalf of Respondents Ameri-Q, Sweesy, and O'Reilly, of no risk in the Winkler Project, is materially misleading or would otherwise likely deceive the public, in light of the risks associated with developmental oil and gas drilling projects, including, at a minimum, the risks of cost overruns, a dry-hole, and liabilities for cleanup.
10. Respondents Ameri-Q, Sweesy, and O'Reilly have made offers for sale of securities in Texas and those offers are materially misleading or otherwise likely to deceive the public, in light of the fact that Respondents Ameri-Q, Sweesy, and O'Reilly failed to disclose in the offering documents for the Winkler Project that:
  - a. the address for Respondent Ameri-Q is the premises of a private mail box suite;
  - b. Respondents Sweesy and O'Reilly are controlling principals of Respondent Ameri-Q;
  - c. Respondent Sweesy was convicted of mail fraud and wire fraud in the United States District Court, Northern District of Ohio, Eastern Division, Case No. CR-84-143, on or about October 4, 1984;
  - d. Respondent Ameri-Q is an entity created by the merger of Americana Oil & Gas Corporation and Quality Petroleum, Inc.;
  - e. the Securities Commission of the State of Pennsylvania issued a Summary Order to Cease and Desist against Ameri-Q, Inc. on or about October 22, 2002;
  - f. the Securities Commission of the State of Pennsylvania issued a Summary Order to Cease and Desist against Americana Oil & Gas Corporation and Jack Taylor on or about January 22, 2002;
  - g. the Commissioner of Securities for the State of Missouri issued an Order to Cease and Desist against Americana Oil & Gas Corporation on or about May 18, 1999;

- h. the Superintendent of Securities for the State of Iowa issued a Cease and Desist Order against Americana Oil & Gas Corporation on or about January 20, 1999;
  - i. the Administrator of the Nevada Securities Division issued a Cease and Desist Order against Quality Petroleum, Inc. on or about April 14, 1999; and
  - j. the Securities Commissioner of the State of Kansas issued a Cease and Desist Consent Order against Quality Petroleum, Inc. and Michael Riley on or about June 25, 1997.
11. Respondents' conduct, acts, and practices threaten immediate and irreparable harm to the public.
  12. 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 that Respondents immediately CEASE AND DESIST from offering for sale or selling securities in Texas until the securities have been registered with the Securities Commissioner or an available exemption from registration is utilized.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until the Respondents are registered with the Securities Commissioner or an available exemption from registration is utilized.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering for sale or selling securities in Texas through the use of offers that contain statements that are 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, stating 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 \$5,000, or imprisonment in the penitentiary for not more than two years, or by both fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner of Texas this 28<sup>th</sup> day of May, 2003.



DENISE VOIGT CRAWFORD  
Securities Commissioner