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SECURITIES COMMISSIONER

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### Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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IN THE MATTER OF  
BRAZOS VALLEY CAPITAL, L.L.C.;  
BOX 40 GROUP, L.L.C.;  
DAVID ALLAN HILBURN;  
TEXAS SENIOR SERVICES, L.L.C.  
DBA INVESTING 4 RETIREMENT.;  
AND RICHARD A. WILSON

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Order No. ENF-06-CDO-1607

TO: Brazos Valley Capital, L.L.C.  
11550 Fuqua, Suite 125  
Houston, Texas 77034

Box 40 Group, L.L.C.  
11550 Fuqua, Suite 125  
Houston, Texas 77034

David Allan Hilburn  
11550 Fuqua, Suite 125  
Houston, Texas 77034

Texas Senior Services, L.L.C.  
DBA Investing 4 Retirement  
11550 Fuqua, Suite 125  
Houston, Texas 77034

Richard A. Wilson  
1550 Fuqua, Suite 125  
Houston, Texas 77034

### 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. 2005) ("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. Brazos Valley Capital, L.L.C. ("Respondent BVC") is a Texas limited liability company, formed on or about December 1, 2003, and whose sole manager is David Allan Hilburn. Texas Secretary of State records reflect that its charter was forfeited on October 21, 2005. The registered address of Respondent BVC is 1201 Dulles Avenue # 6301, Stafford, Texas and its last known address is 11550 Fuqua, Suite 125, Houston, Texas 77034.
2. Box 40 Group, L.L.C. ("Respondent Box 40") is a Texas limited liability company, formed on or about January 4, 2005, whose sole manager is David Allan Hilburn and whose last known business address is 11550 Fuqua, Suite 125, Houston, Texas 77034. Respondent Box 40 is the purported manager of Respondent BVC.
3. David Allan Hilburn ("Respondent Hilburn") maintains a last known business address of 11550 Fuqua, Suite 125, Houston, Texas 77034.
4. Texas Senior Services, L.L.C. DBA Investing 4 Retirement ("Respondent TSS") is a Texas limited liability company, formed on or about January 6, 2000, whose sole officer and director is listed as Richard A. Wilson and whose last known business address is 11550 Fuqua, Suite 125, Houston, Texas 77034.
5. Richard A. Wilson ("Respondent Wilson") maintains a last known business address of 11550 Fuqua, Suite 125, Houston, Texas 77034.
6. Respondents have sold, in Texas, interests in a fund known as Brazos Valley Capital, L.L.C. ("the fund"). The fund's stated objective is to seek substantial capital appreciation through investment in equities, derivatives and other securities. Investments made by the fund are controlled and directed by Respondent Box 40, by and through Respondent Hilburn, and said Respondents receive compensation as the fund appreciates in value. The fund maintains securities accounts over which Respondents Hilburn, BVC and Box 40 have sole control. Respondents BVC, Box 40 and Hilburn trade securities in such accounts to effectuate the purposes of the fund.
7. Respondent Hilburn is described in offering materials as a graduate of the Paul Herbert Law Center at Louisiana State University. Respondents Hilburn, BVC and Box 40 intentionally fail to disclose that Respondent Hilburn has been suspended and disbarred from the practice of law in the State of Louisiana. In addition, Respondents Hilburn, BVC and Box 40 intentionally fail to disclose that the Supreme Court of Louisiana upheld Respondent Hilburn's disbarment on grounds that included engaging in conduct involving dishonesty, fraud, deceit or misrepresentation and that Court cited aggravating factors found by the Louisiana

Office of Disciplinary Counsel to include prior disciplinary offenses, dishonest and selfish motives, a pattern of misconduct, multiple offenses, bad faith obstruction of the disciplinary process, vulnerable victims and indifference to making restitution and found that Respondent Hilburn "does not possess the requisite moral fitness to practice law in Louisiana."

8. Respondents TSS and Wilson are compensated by Respondents Hilburn, BVC and Box 40 for services that include locating potential investors. Respondent Wilson and other representatives of Respondent TSS are often present while the offering is explained to potential investors in the fund.
9. The fund has been operating continuously since 1997 and previously used the name "Mayhaw Capital Partners", which was also controlled by Respondent Hilburn. Respondents Hilburn, BVC and Box 40 state, in the offering materials of the fund, that its primary focus is to invest in U.S. equities and further state, in the offering materials, that the fund may not "purchase equity interests in private investment offerings." Respondents Hilburn, BVC and Box 40 intentionally fail to disclose that, during or about 2004, Respondents Hilburn, BVC and Box 40 purportedly invested approximately \$5 million with a private Czech Republic corporation, which is approximately one-half of the current assets of the fund, and was, at the time of the investment, approximately two-thirds of the assets of the fund. The said Czech Republic corporation is purportedly obligated to repay Respondents BVC, Box 40 and Hilburn \$10 million after 6 years, and the said corporation is not obligated to repay any funds before that date. In calculating the increase of net assets of the fund, Respondents Hilburn, BVC and Box 40 include the appreciation of value of this obligation at a 12% per annum rate and treat the unpaid, purportedly accruing interest, as an increase in net assets of the fund, thus entitling them to increased compensation for management of the fund.
10. The above-described fund interests were not registered by qualification, notification or coordination and no permit has been granted for their sale in Texas at any time material hereto.
11. Respondents were not registered with the Securities Commissioner as dealers or agents, and Respondents Hilburn, Box 40 and BVC were not registered as investment advisers or investment adviser representatives at any time material hereto.
12. Respondents BVC and Box 40, by and through Respondent Hilburn, were served with a lawful subpoena, issued by the Deputy Commissioner of the State Securities Board, requiring the production of documents at the Houston office of the Texas State Securities Board by 11:00 a.m., February 14, 2006, and said Respondents failed to produce documents responsive to the subpoena by such time.

### CONCLUSIONS OF LAW

1. The above-described fund interests are "securities" as that term is defined in Section 4.A of the Texas Securities Act.
2. Respondents have violated Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities were not registered with the Securities Commissioner.
3. Respondents have violated Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act, and Respondents Hilburn, Box 40 and BVC have violated Section 12 of the Texas Securities Act by rendering services as investment advisers or investment adviser representatives at a time when they were not registered as investment advisers or investment adviser representatives.
4. Respondents have made statements that are materially misleading or otherwise likely to deceive the public and Respondents BVC, Box 40 and Hilburn have engaged in fraud in connection with the offer for sale and sale of securities.
5. 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 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 Texas Securities Act.
2. It is further ORDERED that Respondents BVC, Box 40 and Hilburn immediately CEASE AND DESIST from rendering services as investment advisers or investment adviser representatives until 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 the offer and sale of securities in Texas until Respondents are registered with the Securities Commissioner as dealers or agents or an available exemption from registration is utilized.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering or selling securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
5. It is further ORDERED that Respondents BVC, Box 40 and Hilburn immediately CEASE AND DESIST from engaging in fraud in connection with the offer for sale or sale of securities in Texas.

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 \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 14<sup>th</sup> day of February, 2006.

*Denise Voigt Crawford*  
DENISE VOIGT CRAWFORD  
Securities Commissioner