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SECURITIES COMMISSIONER



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## Texas State Securities Board

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IN THE MATTER OF  
PREVAIL ENERGY, INC.,  
AND ELLIOTT LEAVELL

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§  
§  
§

Order No. ENF-11-CDO-1706

TO: Prevail Energy, Inc.  
PO BOX 9391  
Corpus Christi, Texas 78469

Elliott Leavell  
5210 River Oaks Dr.  
Corpus Christi, Texas 78413

### AGREED CEASE AND DESIST ORDER

Be it remembered that Prevail Energy, Inc. ("Respondent Prevail"), by and through its President, Elliott Leavell ("Respondent Leavell"); and Leavell, individually; collectively "Respondents", appeared before the Securities Commissioner of Texas ("Securities Commissioner") and consented to the entry of this Order ("Order") and the Findings of Fact and Conclusions of Law contained herein.

#### FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and a hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, Tex. Rev. Civ. Stat. Ann. art. 581-1 et seq. (West 2010) (the "Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. § 2001.001 et seq. (West 2008 & Supp. 2010).
2. Respondent Prevail is a Texas corporation that maintains a last known address

of PO Box 9391, Corpus Christi, Texas 78469.

3. Respondent Leavell is the President of Respondent Prevail and he maintains a last known address of 5210 River Oaks, Corpus Christi, Texas 78413.
4. Respondents have offered for sale in Texas working interests in the AA Sharp #3 in Jim Wells County, Texas and the Duderstadt #2 in Dewitt County, Texas.
5. The working interests were not registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
6. Respondents were not registered with the Securities Commissioner as dealers or agents at any time material hereto.

### CONCLUSIONS OF LAW

1. The above-described working interests are "securities" as that term is defined by 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 are 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.
4. The foregoing violations constitute bases for the issuance of a Cease and Desist Order pursuant to Section 23.A of the Securities Act.

### ORDER

1. It is therefore ORDERED that 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 Texas Securities Act.
2. 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.

SIGNED AND ENTERED by the Securities Commissioner this 12<sup>th</sup> day of August, 2011.

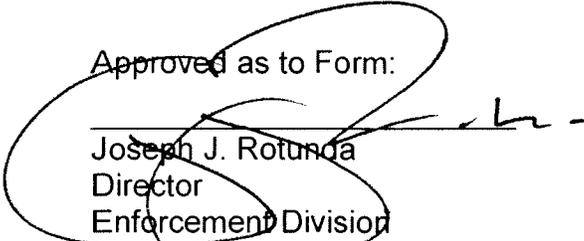
BENETTE ZIVLEY  
Securities Commissioner

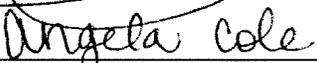
Respondents:

  
\_\_\_\_\_  
Elliott Leavell, President  
Prevail Energy, Inc.

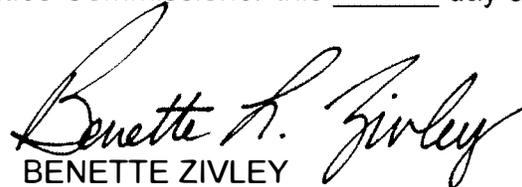
  
\_\_\_\_\_  
Elliott Leavell, Individually  
Elliott Leavell

Approved as to Form:

  
\_\_\_\_\_  
Joseph J. Rotunda  
Director  
Enforcement Division

  
\_\_\_\_\_  
Angela Cole  
Assistant Director  
Enforcement Division

SIGNED AND ENTERED by the Securities Commissioner this 16<sup>th</sup> day of August, 2011.

  
BENETTE ZIVLEY  
Securities Commissioner

Respondents:

Prevail Energy, Inc.

\_\_\_\_\_  
Elliott Leavell, President

Elliott Leavell

\_\_\_\_\_  
Elliott Leavell, Individually

Approved as to Form:

\_\_\_\_\_  
Joseph J. Rotunda  
Director  
Enforcement Division

\_\_\_\_\_  
Angela Cole  
Assistant Director  
Enforcement Division

ACKNOWLEDGEMENT

On the 12th day of August, 2011, Prevail Energy, Inc. ("Respondent"), by and through its President, Elliott Leavell, personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Respondent has read the foregoing Order;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

  
 Notary Public in and for  
the State of Texas  
My commission expires on: 9/29/12

ACKNOWLEDGEMENT

On the 12th day of August, 2011, Elliott Leavell ("Respondent"), personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent has read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

*Julie S Morales*

Notary Public in and for  
the State of Texas

My commission expires on: 9-29-12

