

ADMINISTRATIVE PROCEEDING
BEFORE THE

IN THE MATTER OF:

Cunningham Energy LLC,
James Lockhart.

Kevin Thibeau,
Jan Peter Bolton,
Scott Johnson, and
Douglas Hardwick,

Respondents.

ORDER TO CEASE AND DESIST

File No. 20165031

WHEREAS the Securities Division of the Office of the Attorney General of the State of South

Cunningham. Lockhart's last known residential address is 301 Colinas Boulevard, Irving, Texas 75039.

4. Respondent Thibeau, during the time period herein, acted as Director of Investor Relations with Cunningham. Thibeau's last known residential address is 7732 Oak Country Lane, Mansfield, Texas 76062.

5. Respondent Bolton, during the time period herein, acted as an Account Executive with Cunningham. Bolton's last known residential address is 8609 San Joaquin Trail, Fort Worth, Texas 76118.

6. Respondent Johnson, during the time period herein, acted as an Account Executive with Cunningham. Johnson's last known residential address is 2805 Garden Oaks Place, Grand Prairie, Texas 75052.

7. Respondent Hardwick during the time period herein acted as an Account Executive with

Cunningham. Hardwick's last known residential address is 1311 Rocky Creek Lane, Allen, Texas 75002.

8. During the period June 22, 2012 to March 9, 2013, twelve (12) known South Carolina residents

14. Respondent Bolton sold at least one (1) investment in a Cunningham-managed drilling project opportunity to an Investor on or around September 8, 2014.

15. Respondent Johnson sold at least at least one (1) investment in a Cunningham-managed drilling project opportunity to an Investor on or around October 30, 2013.

16. Respondent Hardwick sold at least four (4) investments in Cunningham managed drilling

project opportunities to Investors during the period of July 25, 2012, to March 20, 2017.

17. In connection with the above sales to Investors of working interests in projects managed by Respondent Cunningham, Respondent Cunningham paid commissions in the following amounts to the agents involved: Respondent Lockhart approximately \$70,529.40; Respondent Thibeau approximately \$1,566.40; Respondent Bolton approximately \$8,466.40; Respondent Johnson approximately \$1,000.00; and Respondent Hardwick approximately \$9,462.50

18. Respondents Thibeau, Bolton, Johnson, and Hardwick, on behalf of Respondent Cunningham

24. Pursuant to S.C. Code Ann. § 35-1-102(29), "Security," *inter alia*, constitutes any note, certificate of interest or participation in profit-sharing agreement, investment contract, stock or fractional undivided interest in oil, gas or other mineral rights.

It is in the public interest for the protection of inventors and consistent with the purposes of the

Act, that the Respondents be ordered to cease and desist from engaging in the above-enumerated practices and pay monetary penalties.

IV. CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Respondent Cunningham, and every successor, affiliate, control person, agent, servant, and employee of Respondent Cunningham, and every entity owned, operated, or indirectly or

Respondent Cunningham, **CEASE AND DESIST** from

legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Respondent Bolton, and the actual cost of investigation or proceeding; and

g. Respondent Johnson pay a civil penalty in the amount of ten thousand dollars (\$10,000) if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Respondent Johnson, and the actual cost of investigation or proceeding; and

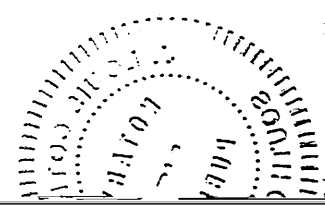
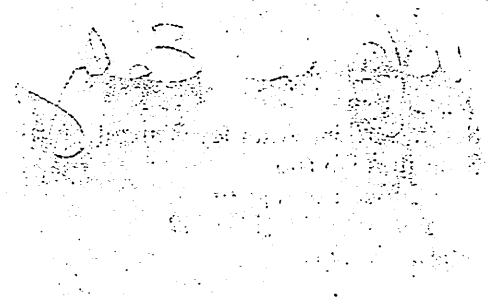
h. Respondent Hardwick pay a civil penalty in the amount of forty thousand dollars (\$40,000) if

if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and any

legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Respondent Hardwick, and the actual cost of investigation or

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STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL

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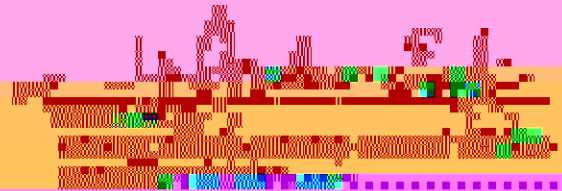
THE STATE OF SOUTH CAROLINA, BY AND THROUGH THE ATTORNEY GENERAL,
DOES HEREBY CERTIFY THAT THE FOLLOWING IS A TRUE AND CORRECT COPY
OF THE ORIGINAL AS FILED WITH THE CLERK OF COURT.

Christina Perry, Clerk
Clerk of Court
Clerk of Court

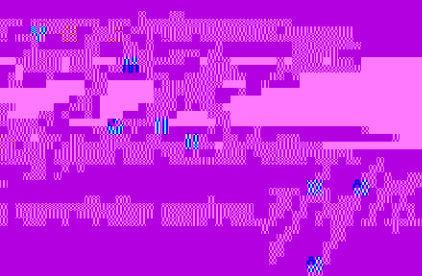
Christina Perry, Clerk

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STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL

GENERAL INVESTIGATIVE DIVISION

CULMINATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number: 2014-00031

I hereby certify that the

following information is true and correct to the best of my knowledge and belief.

James Davidson
SFC Davidson, Davidson
Inmate: James Davidson

James Davidson, SFC Davidson, Davidson
Inmate: James Davidson

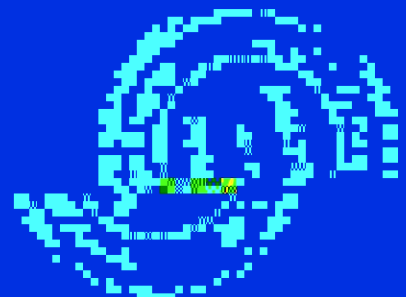
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OFFICE OF THE ATTORNEY GENERAL

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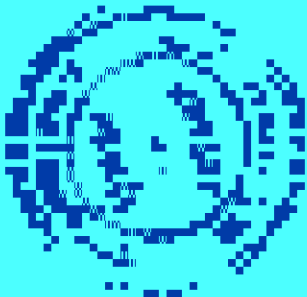
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1. Copy of the document indicated
2. Said document upon the Securities Commission

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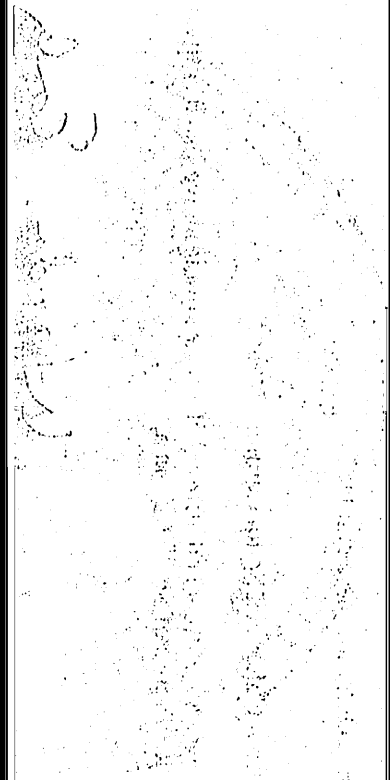
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(803) 734-4731

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STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL

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OFFICE OF THE ATTORNEY GENERAL
COLUMBIA, SOUTH CAROLINA

On this 18th day of July, 2018, I have served a copy of said document upon the Securities Commissioner of the State of South Carolina and have placed a copy of said document in the file of said matter.

Respectfully,

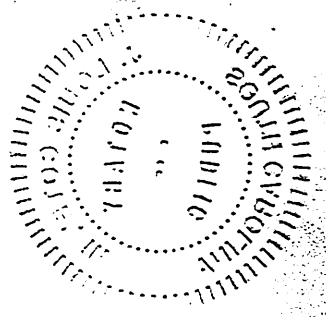
Attorney General

Deputy Attorney General

Deputy Attorney General

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ARTICLE I

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SECTION 1. The Legislature shall have the power to

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