

1 STATE OF CALIFORNIA  
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
3 DEPARTMENT OF BUSINESS OVERSIGHT  
4

5 TO: Texas Energy Mutual, LLC  
6 Rodney Lynn Pope dba Texas Energy Mutual  
7 Kevin Walker  
8 1701 W. Northwest Hwy., Suite 100  
9 Grapevine, Texas 76051

10 **DESIST AND REFRAIN ORDER**  
11 **(For violations of sections 25110 and 25401 of the Corporations Code)**

12 The Commissioner of Business Oversight finds that:

13 1. At all relevant times herein, Texas Energy Mutual, LLC (“TEM”) is, or was, a  
14 Delaware limited liability company with its headquarters located at 1701 W. Northwest Hwy, Suite  
15 100, Grapevine, TX 76051. TEM maintains a website at www.texasenergymutual.com. TEM claims  
16 it is an independent oil and gas company that acquires and develops oil and natural gas properties.

17 2. At all times relevant herein, Rodney Lynn Pope is an individual doing business as  
18 Texas Energy Mutual (“Pope”) with a business address located at 1701 W. Northwest Hwy., Suite  
19 100, Grapevine, Texas 76051. Pope is, or was, at all relevant times, a managing member of TEM.

20 3. Kim Walker (“Walker”) is an individual whose last known business address is 1701  
21 W. Northwest Hwy., Suite 100, Grapevine, Texas 76051. Walker represented or held himself out to  
22 potential investors as TEM’s representative.

23 4. Beginning in or about March 2013, TEM, Pope, and Walker offered and sold  
24 securities in the form of investment contracts described as “Exploration Agreement,” and Turnkey  
25 Drilling and Completion Contract” (“Agreements”) to at least one California investor in return for the  
26 investor’s investment of \$90,965.00. TEM, Pope, and Walker told investors that their money would  
27 be used to “finish drilling wells” and advance TEM’s oil and gas drilling program. TEM, Pope, and  
28 Walker claimed that they were already operating 14 oil wells successfully, out of which four wells  
were purportedly producing oil while ten oil wells were in the drilling process. TEM, Pope, and

1 Walker stated that investors would make “lots of money,” and receive a 35% return on investment  
2 that would be paid on a monthly basis.

3 5. Despite TEM, Walker, and Pope’s promises, investors did not receive the returns they  
4 were promised. Rather, a month after the investors invested, TEM, Pope, and Walker told investors  
5 that the oil wells had stopped producing oil.

6 6. These securities were offered or sold in this state in issuer transactions. The  
7 Commissioner has not issued a permit or other form of qualification authorizing any person to offer  
8 and sell these securities in this state.

9 7. TEM, Pope, and Walker offered to sell and sold securities by means of written and  
10 oral communications which included untrue statements of material facts and omitted to state material  
11 facts necessary in order to make the statements made, in the light of the circumstances under which  
12 they were made, not misleading. The misrepresentations and omissions include, but are not limited  
13 to the following:

14 a. representing that investors’ money would be invested in TEM’s oil and gas production  
15 program when in fact investors’ funds were used for Pope and Walker’s personal expenses;

16 b. representing that investors would make “lots of money,” and/or receive a 35% return  
17 on investment, when in actuality, no such return was paid to investors; and

18 c. representing that the oil wells were operating successfully and producing oil when,  
19 barely a month after investors invested, they told investors that the oil wells had purportedly “stopped  
20 producing oil.”

21 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion  
22 that the securities in the form of investment contracts TEM, Pope, and Walker offered and sold are  
23 securities subject to qualification under the California Corporate Securities Law of 1968, and are  
24 being or have been offered or sold without being qualified, in violation of Section of 25110 of the  
25 Corporate Securities Law of 1968.

26 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Texas Energy Mutual,  
27 LLC, Rodney Lynn Pope dba Texas Energy Mutual, and Kevin Walker are hereby ordered to desist  
28 and refrain from the further offer or sale of any security in the State of California, including but not

1 limited to, investment contracts, unless and until qualification has been made under said law or unless  
2 exempt. The sale of such securities is subject to qualification under said law and such securities are  
3 being or have been offered for sale without first being so qualified.

4 The Commissioner of Business Oversight is further of the opinion that the securities in the  
5 form of investment contracts offered or sold by TEM, Pope, and Walker were offered and sold in this  
6 state by means of written or oral communications which included untrue statements of material facts  
7 or omitted to state material facts necessary in order to make the statements made, in the light of the  
8 circumstances under which they were made, not misleading, in violation of section 25401 of the  
9 Corporate Securities Law of 1968.

10 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Texas Energy Mutual,  
11 LLC, Rodney Lynn Pope dba Texas Energy Mutual, and Kevin Walker are hereby ordered to desist  
12 and refrain from offering or selling or buying any security in the State of California including, but not  
13 limited to, investment contracts, by means of written or oral communication which includes an untrue  
14 statement of a material fact or omits to state a material fact necessary in order to make the statements  
15 made, in the light of the circumstances under which they were made, not misleading.

16 This Order is necessary, in the public interest, for the protection of investors and consistent  
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

18 Dated: August 31, 2016  
19 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

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By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division