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COMMISSIONERS OFFICE

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE ACTION NO. 2022-AH-00003

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

EMERGENCY ORDER TO CEASE AND DESIST

TYPHON ENERGY LLC
and JEREMIAH DECKER

RESPONDENTS

The Department of Financial Institutions (hereinafter referenced as the “Department”), pursuant to Kentucky Revised Statute (KRS) 292.470, KRS 292.500, and 808 Kentucky Administrative Regulation (KAR) 10:225, and hereby enters this Emergency Order to Cease and Desist against Typhon Energy LLC and Jeremiah Decker (hereinafter referenced as “Respondents”). In support thereof, the Department states as follows:

PARTIES

1. The Commissioner is responsible for administering the provisions of KRS Chapter 292, the Securities Act of Kentucky (hereinafter referenced as “the Act”), as well as any applicable rules, regulations, and orders entered pursuant to the Act.

2. Typhon Energy LLC is a Kentucky limited liability company. The company’s principal office is located at 375 Terrebone Loop, Greenville, KY 42345. The Kentucky Secretary of State lists Typhon Energy LLC with an inactive status and bad standing as of the date of this Order, with an administrative dissolution effective June 15, 2020 for failure to appoint an agent. Upon information and belief, Typhon Energy LLC no longer has an agent for service of process.

3. Jeremiah Decker (hereinafter referenced as “Mr. Decker”) is the sole member and organizer of Typhon Energy LLC and a Kentucky resident.

STATEMENT OF FACTS

4. From June 28, 2020 to the date of this Order, neither Typhon Energy LLC nor Mr. Decker have been registered with the Department under the Act.¹

5. Between 2014 and 2016, Mr. Decker and Typhon Energy LLC solicited investors to purchase fractional undivided interests in oil leases and/or well-drilling projects.

6. On June 28, 2020, the Department entered a *Final Order of Default* against both Respondents, Administrative Action No. 2019-AH-00030, which found violations regarding unregistered securities, an unregistered issuer agent, fraud through misstatement and omission of material facts, fraud through misuse of investor funds, and failure to cooperate with a Department investigation.

7. The *Final Order of Default* imposed a fine of \$252,000, restitution to investors, payment of the Department's costs and fees, a permanent ban against Mr. Decker offering or selling securities, and an order to cease and desist from future violations of the Act.²

8. On December 8, 2021, a consumer contacted the Department and stated that the consumer had invested with Mr. Decker and Typhon Energy LLC before the date of the *Final Order of Default* and that Respondents were currently soliciting investors through social media posts on LinkedIn.

¹ The *Final Order of Default* in Administrative Action No. 2019-AH-00030 states in Paragraph 3 that “[n]either Typhon nor Decker has ever been registered with DFI under the Act.” (Emphasis added). Paragraph 4 of this *Emergency Order to Cease and Desist* clarifies that previous Order's statement by providing a date range. The reason for this amendment is that, upon Department review in preparation for this Order, it was discovered that Mr. Decker had been registered as an issuer agent under various other entities, including but not limited to Warren Exploration, Berry Resources, and Allied Energy Group. The first of the registrations began on February 25, 2004 and the last of the registrations expired on January 8, 2008. Upon information and belief, there was no Form U5 submission for these registrations. While the previous Order's statement is accurate that Mr. Decker never registered *under Typhon Energy LLC* as an issuer agent and Typhon Energy LLC was never registered, the remaining ambiguity regarding Mr. Decker's broader history of registration merited a clarifying amendment.

² As of the date of this Order, the Respondents have not paid the assessed fine, restitution, costs, and fees.

9. On December 8, 2021, the Department's Division of Securities, Enforcement Branch, reviewed the LinkedIn posts made by Respondents on their respective LinkedIn pages and discovered social media posts that supported the consumer's statements.

10. Respondents' LinkedIn posts demonstrate that Respondents are continuing to offer fractional undivided interests in oil.

11. As of the date of this *Emergency Order to Cease and Desist*, neither Respondent is registered to offer securities nor have the aforementioned securities been registered.

12. The *Final Order of Default* describes that Respondents received more than two million dollars (\$2,000,000) in investor capital from sixty-three (63) investors for the purchase of fractional undivided interests in oil-well programs operated by Typhon Energy LLC.

13. Furthermore, the *Final Order of Default* states that Typhon Energy LLC's spent investor funds on non-business-related items (including, but not limited to, child support, groceries, and fireworks) and Respondents also used money received from new investors to fund payments to prior investors, which is indicative of a Ponzi scheme.

14. Respondents use of investor funds for these activities were not disclosed or communicated to investors.

STATUTORY AUTHORITY

15. KRS 292.310(1) defines an "agent" as

[A]ny individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

16. KRS 292.310(13) defines an "issuer", in part, as

[A]ny person who issues or proposes to issue any security.

17. KRS 292.310(17) defines “sale” of “sell”, in part, as

[E]very contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. “Offer” or “offer to sell” includes every attempt to offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value. Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute a part of the subject of the purchase and to have been offered and sold for value.

18. KRS 292.310(19) defines a “security”, in part, as

[A]ny note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, life settlement investment, voting-trust certificate, certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; or, in general, any interest or instrument commonly known as a “security[.]”

19. KRS 292.320 states, in part,

(1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:

(a) To employ any device, scheme, or artifice to defraud;

(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

20. KRS 292.330(3) states,

It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration.

21. KRS 292.340 states,

It is unlawful for any person to offer or sell any security in this state, unless the security is registered under this chapter, or the security or transaction is exempt under this chapter, or the security is a covered security.

22. 808 KAR 10:440 Section 3(1), states,

Section 3. Issuer agents shall observe high standards of commercial honor and just and equitable principles of trade in their dealings with customers. The following acts and practices are considered contrary to these standards. Violations may result

in a fine, suspension, or revocation in proportion to the seriousness of the offense, pursuant to KRS 292.337(1):

...

(1) Engaging in conduct specified in Section 1(2), (13), (15) through (18), or (25) through (30) of this administrative regulation...

23. KRS 292.470 states, in part,

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:

...

(1) Issue a cease and desist order, with or without a prior hearing, appealable to Franklin Circuit Court, against the person or persons engaged in the prohibited activities directing that person or persons to cease and desist from illegal activity. In order to issue an order without prior hearing, the commissioner must find that the delay in issuing a final cease and desist order will cause harm to the public.

24. KRS 292.500(14) further authorizes the Commissioner to

[I]mpose civil fines against any person who violates any provision of this chapter or any rule or order or voluntary agreement entered into under this chapter.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

25. The Department has become aware that Respondents are offering securities in the form of fractional undivided interests in oil through social media posts. These offerings qualify as securities under KRS 292.310(19).

26. From June 28, 2020 to the date of this Order, neither Typhon Energy LLC nor Mr. Decker have been registered with the Department under the Act.

27. Typhon Energy LLC, Mr. Decker, and the securities that Respondents offered do not qualify for an exemption from registration.

28. Based on the facts set forth above, Mr. Decker and Typhon Energy LLC violated the *Final Order of Default* by offering and selling securities in contravention of orders to cease and desist against both Respondents and the permanent ban against Mr. Decker from the securities industry.

29. Delay in issuing a cease and desist in this case would cause direct harm to the public due to Mr. Decker's current and foreseeable conduct. The history noted in the *Final Order of Default* indicates the accrual of large amounts of investor funds exposed to severe lack of appropriate disclosures to investors and misrepresentations of pertinent facts, some of which were facts that Mr. Decker even provided to the Department during its prior investigation. Events as of the date of this Order involving international oil trade may further exacerbate harm to investors relying on Mr. Decker's communications when purchasing these securities. Failure of the Department to enter an order to cease and desist in this case could result in extensive financial losses to the citizens of the Commonwealth, and consumers harmed in this way may have little to no recourse whatsoever. The emergency nature of this order is essential to protect the interests of the citizens of the Commonwealth due to these circumstances.

ORDER

Based on the foregoing, IT IS HEREBY ORDERED that:

1. Respondents, Mr. Decker and Typhon Energy LLC, shall **CEASE AND DESIST** from soliciting or selling any security in Kentucky unless that security is registered with the Department pursuant to KRS 292.340; and
2. Respondents, Mr. Decker and Typhon Energy LLC shall **CEASE AND DESIST** from any and all activity which would otherwise violate the Act.

SO ORDERED on this the 25th day of April, 2022.

**Charles
A. Vice**

Digitally signed by:
Charles A. Vice
DN: CN = Charles A. Vice
email = charles.vice@ky.
gov C = US O = Dept. of
Financial Institutions OU =
PPC/DFI/Commissioner
Date: 2022.04.25 12:52:26
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/s/ Charles A. Vice
CHARLES A. VICE
COMMISSIONER

NOTICE TO RESPONDENTS

You are hereby notified that you are entitled to request an emergency hearing. If requested, an administrative hearing shall be held within ten (10) days pursuant to the provisions of KRS Chapter 13B.125. Please submit any request for hearing, in writing, to Brandon Adcock, Staff Attorney, Kentucky Department of Financial Institutions, 500 Mero Street 2SW19, Frankfort, Kentucky 40601. Alternatively, you may also have the right to the judicial review of this Order in Franklin Circuit Court pursuant to KRS 292.470(1).

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Emergency Order to Cease and Desist was sent on this the 26th day of April, 2022 by the method indicated below to the following:

Via certified mail, return receipt requested:

Jeremiah Decker
TYPHON ENERGY LLC
1130 State Route 2270 E
Belton, KY 42324
Respondent

Jeremiah Decker
TYPHON ENERGY LLC
375 Terrebone Loop
Greenville, KY 42345
Respondent

Via electronic delivery:

Brandon Adcock, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street, 2 SW 19
Frankfort, KY 40601
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed, by Mary Johnson

Title: Executive Staff Adviser