

BEFORE THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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In the Matter of  
COUCH OIL & GAS, DYNO ENERGY, INC.,  
CHARLES O. COUCH, and WILLIAM M. WILHELM,

PETITION FOR ORDER

Respondent.

File No. S-04061(EX)

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The staff of the State of Wisconsin Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Couch Oil & Gas ("COG") is a foreign business entity with a last known business address of 1919 Rhome St., Dallas, TX 75229.
2. Dyno Energy, Inc. ("Dyno") is a foreign business entity with a last known business address of 724 Turtle Cove Blvd., PO Box 337, Rockwall, TX 75087-0337.
3. Charles O. Couch (DOB 9/7/49) ("C. Couch") is an individual who at all times material hereto has been a principal and controlling person of COG, with a last known business address at that of COG and a last known residence address of 1136 S Gloucester Ct Irving, TX 75062.
4. William M. Wilhelm (DOB 6/27/54; CRD #1989170) ("Wilhelm") is an individual who at all times material hereto has been a principal and controlling person of Dyno, and an agent of COG, C. Couch, and Dyno, with a last known business address at that of Dyno.
5. During the period of February and March 2004, Wilhelm, on behalf of COG, C. Couch, and Dyno, offered to at least one person in Wisconsin the opportunity to purchase units of working interest in an oil and gas well drilling venture, the South Starks Prospect in Calcasieu Parish, Louisiana ("the prospect").
6. The person in Wisconsin referred to above had no pre-existing relationship with any of the Respondents.
7. Pursuant to the offering materials received by the person in Wisconsin, Couch and Dyno have entered into an agreement to co-venture the drilling of one well in the prospect.
8. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities.
9. Upon information and belief, each investor will not be involved in the day-to-day management of the drilling venture described above, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.

10. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the units of working interests offered by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.
11. The investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
12. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
13. In contradiction to statements in the offering materials sent to the Wisconsin offeree, Wilhelm, during the telephone offering pitch to the offeree, stated that Wilhelm is:
  - working like a real estate agent for Couch, selling investments in the oil and gas well deal for Couch; and
  - compensated by Couch for making sales.
14. In connection with the offers of the securities described above, Dyno transacted business in Wisconsin as a "broker-dealer," as that term is defined by sec. 551.02(3), Wis. Stats.
15. At no time has Dyno been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.
16. Respondent Dyno has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.
17. In connection with the offers of the securities described above, Wilhelm transacted business in Wisconsin as an "agent" for COG, C. Couch, and Dyno, as that term is defined by sec. 551.02(2), Wis. Stats.
18. At no time has Wilhelm been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
19. Wilhelm has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
20. COG, C. Couch, and Dyno have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.
21. On June 1, 1987, the State of Kansas issued an administrative order against Dyno and Wilhelm, based on allegations of securities law violations involving working interests in an oil and gas well lease.
22. On February 2, 1999, the State of Pennsylvania issued an administrative order against C. Couch, based on allegations of securities law violations involving working interests in an oil and gas well.
23. In connection with the offer of the securities described in Paragraph 6, Dyno and Wilhelm omitted to disclose the issuance of the orders referred to in Paragraphs 24 and 25.
24. Dyno and Wilhelm have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which

