

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

In the Matter of

PETITION FOR ORDER

UNITED STATES ENERGY CORPORATION,
GLENN LEROY HOPPES, JOSEPH HILTON,
p/k/a JOSEPH YURKIN, and
DANIEL JOSEPH O'LAUGHLIN,

File No. S-221734(EX)

Respondents.

The staff of the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to Wis. Stat. § 551.602, and as a result thereof alleges as follows:

1. United States Energy Corporation ("USEC") is a Florida corporation organized on April 13, 2010, with a last known business address of 28471 U.S. 19 North, Suite 506, Clearwater, Florida 33761.
2. Glenn Leroy Hoppes ("Hoppes") is an individual born in August, 1941 who at all times material hereto has been an owner, officer, and controlling person of USEC, with a last known business address at USEC, and last known home addresses of 1 Otter Creek, Apartment 1, Lemoyne, Nebraska 69146, and 2419 Gulf to Bay Boulevard #828, Clearwater, Florida 3365-4318.
3. Hoppes has been an officer and/or controlling person of the following Florida entities: Rock Castle Energy, Inc., Center Point Energy, Inc., U.S. Oil & Gas Company, TN-KY Development Fund III LP, and Gray Field Limited Partners.
4. Joseph Hilton ("Hilton"), previously known as Joseph Yurkin, is an individual born in July, 1960 who at all times material hereto has been an owner, officer, agent and controlling person of USEC, with a last known business address at USEG and a last known home address of 6539 Via Regina, Boca Raton, Florida 33433-3911.
5. Daniel Joseph O'Laughlin ("O'Laughlin") is an individual born in May, 1952 who at all times material hereto has been an agent of USEC, Hoppes and Hilton, with a last known home address of W7062 Buttercup Court, Greenville, Wisconsin 54942.
6. During 2011, Daniel O'Laughlin contacted and discussed investment in USEC-affiliated limited partnerships with approximately 21 persons in Wisconsin, and referred these persons to Hilton, who offered and sold limited partnership interests of the USEC-affiliated limited partnerships to approximately 21 persons in Wisconsin.
7. Pursuant to the offering materials received by the Wisconsin investors, USEC will engage in the business of drilling oil and gas wells in Tennessee and Kentucky as the general partner in several limited partnerships, including the TN-KY Development Fund II LP and the TN-KY Development Fund III LP.
8. USEC filed exemption filings pursuant to Reg D, Rule 506 to sell these affiliated limited partnership interests in Wisconsin.

9. In connection with the offers of the securities described above, O'Laughlin transacted business in Wisconsin as an "agent" for USEC, Hoppes and Hilton, as that term is defined by Wis. Stat. § 551.102(2).
10. At no time has O'Laughlin been registered as a securities agent pursuant to Wis. Stats. Ch. 551.
11. O'Laughlin has violated Wis. Stat. § 551.402(1), by transacting business in Wisconsin as a securities agent without a license.
12. USEC, Hoppes and Hilton have violated Wis. Stat. § 551.402(4), by employing an unlicensed agent to represent them in Wisconsin.
13. On September 19, 2006, Hoppes received a discharge of his debts through a Chapter 7 bankruptcy proceeding, Case No. 4:06-BK-40525 in the District of Nebraska.
14. On October 12, 2006, the Texas State Securities Board ("TSSB") issued an Emergency Cease and Desist Order against Yurkin and others in which TSSB concluded that Yurkin engaged in fraud in connection with the offer and sale of securities, and made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
15. On November 16, 2007, the United State Securities & Exchange Commission ("SEC") entered a consent judgment permanently enjoining Yurkin from future violations of the federal securities laws in *Securities and Exchange Commission v. Homeland Communications Corp.*, Case No. 07-CV-80802 in the United States District Court for the Southern District of Florida.
16. According to evidence obtained by the SEC in support of their September 5, 2007 complaint for injunctive and other relief, from at least May 2005 through September 2007, Homeland raised at least \$1.3 million from approximately 93 investors by offering and selling unregistered securities. In connection with the Homeland offering, Yurkin and others made numerous material misrepresentations and omissions to investors through Homeland's website, its private placement memorandum, and oral statements made to investors.
17. On January 15, 2008, the Ohio Division of Securities issued a Cease & Desist Order against Yurkin and others, finding that Yurkin and others offered and sold unregistered securities, made or caused false representations to be made in the offering materials, and engaged in fraudulent sales practices in conjunction with the sales of securities.
18. On September 16, 2011, Yurkin petitioned the Palm Beach County Circuit Court to legally change his name to Joseph Anton Hilton.
19. In connection with the offer and sale of the securities described above, USEC, Hoppes, and Hilton omitted to disclose the actions of the TSSB, the SEC, and the Ohio Division of Securities against Hilton referred to above.
20. In connection with the offer and sale of the securities described above, USEC, Hoppes and Hilton omitted to disclose that Hoppes received a discharge in bankruptcy in 2006, and Hilton had received one in 2001.
21. In connection with the offer and sale of the securities described above, USEC, Hoppes and Hilton omitted to disclose that Hilton had a civil judgment taken against him by US Bank for damages in a civil foreclosure action in December 2007.

22. USEC, Hoppes and Hilton have violated Wis. Stat. § 551.501(2), by omitting 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, in connection with the offer and sale of securities to persons in Wisconsin.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Wis. Stats. Ch. 551.

Dated this 5th day of November, 2012.



Mark Dorman
Senior Examiner
Bureau of Enforcement



Leslie M. Van Buskirk
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