

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: Karen S. Revelle,)	
Brett K. Revelle, Joseph J. Revelle, and)	File Number 1000216
Revelle Resources Inc., its partners, members, officers,)	
directors, agents, employees, affiliates, successors,)	
and assigns.)	

NOTICE OF HEARING

**TO THE RESPONDENTS: Karen S. Revelle
Revelle Resources Inc.
275 Hickory Point Court
Forsyth, Illinois 62535**

**Brett K. Revelle
538 Woods Creek Lane
Algonquin, Illinois 60102**

**Joseph J. Revelle
2456 Waterleaf Lane
Woodstock, Illinois 60098**

**TO THE RESPONDENTS
ATTORNEY:**

**Jonathan D. Miller
Steptoe & Johnson LLP
115 South LaSalle
Suite 3100
Chicago, Illinois 60603**

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 25th day of July, 2012 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Respondents Karen Revelle, Brett K. Revelle, Joseph J. Revelle and Revelle Resources Inc. and their/its partners, members, officers,

NOTICE OF HEARING

- 2 -

directors, agents, employees, affiliates, successors and assigns, from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

BACKGROUND FACTS

1. Karen S. Revelle (“Respondent Karen Revelle” or collectively with Respondents Brett K. Revelle, Joseph J. Revelle and Revelle Resources Inc., “Respondents”) is a natural person. His last known business address is in Forsyth, Illinois.
2. Brett K. Revelle (“Respondent Brett Revelle” or collectively with Respondents Karen Revelle, Joseph J. Revelle and Revelle Resources Inc., “Respondents”) is a natural person. His last known business address is in Forsyth, Illinois. His last known business address is in Forsyth, Illinois.
3. Joseph J. Revelle (“Respondent Revelle” or collectively with Respondents Brett K. Revelle, Karen Revelle and Revelle Resources Inc., “Respondents”) is a natural person. His last known business address is in Forsyth, Illinois.
4. Revelle Resources Inc., (“Respondent Revelle Inc.” or collectively with Respondent Revelle, “Respondents”) is an Illinois corporation. Its last known address is in Forsyth, Illinois.
5. Respondent Revelle Resources Inc. is an oil exploration and development company in Illinois.
6. Respondent Karen Revelle is the President of Respondent Revelle Resources Inc. at all relevant times herein.
7. Respondent Brett Revelle is the Director of Operations and Vice President of Respondent Revelle Resources Inc.
8. Respondent Joseph Revelle is the Sales/VP of Respondent Revelle Resources Inc.
9. Respondents offered and sold undivided working interests in oil and gas leases; specifically wells known as Harley #22 and Bell Brothers #4 (the “Product”).

NOTICE OF HEARING

- 3 -

10. Respondents offered the product through a general solicitation of cold calling and mailings.
11. Respondents sold the product to accredited and non-accredited investors.
12. Respondents sold the product from Illinois to investors residing in the State of Illinois and outside of the State of Illinois.
13. Respondents paid salespersons commissions 50% of the money that the investors supplied the Respondents.
14. Respondents failed to disclose to investors that their 50% investment money was used to pay sales commissions.
15. Respondents failed to segregate the investment money and pooled the money from investors of Harley #22 and Bell Brothers #4 wells, and only used the money to drill the Harley #22 well.
16. Respondents used the money invested from the Bell Brothers #4 investors for other purposes.
17. Respondents failed to disclose to investors that money for the Bell Brothers #4 well was used for other purposes and comingled with the money to drill the Harley #22 well.
18. Respondents failed to tell investors that the States of Texas and Oklahoma have Orders against them, prohibiting the Respondents from offering or selling securities.

COUNT I

**815 ILCS 5/12.F violation: Respondents engaged
in practices in connection with the sale of securities
that worked a fraud or deceit
on the purchaser thereof**

19. Paragraphs 1-18 are re-alleged and incorporated by reference.
20. Respondent made material misstatements regarding the drilling of Bell Brothers #4 well.
21. Respondents used the money invested in BB#4 well for other purposes.
22. Respondents failed to disclose to investors that they were prohibited in other jurisdictions.

NOTICE OF HEARING

- 4 -

23. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.”
24. By virtue of the foregoing, Respondents violated Sections 12.F of the Act.

COUNT II

815 ILCS 5/12.I violation: Respondent employed a scheme to defraud in connection with the sale of securities

19. Paragraphs 1-18 are re-alleged and incorporated by reference.
20. Respondent made material misstatements regarding the drilling of Bell Brothers #4 well.
21. Respondents used the money invested in BB#4 well for other purposes.
22. Respondents failed to disclose to investors that they were prohibited in other jurisdictions.
23. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.”
24. By virtue of the foregoing, Respondents violated Sections 12.I of the Act.

COUNT III

815 ILCS 5/12.G violation: Respondents obtained Complainants' money by making untrue statement of material fact and omission to state a material fact

19. Paragraphs 1-18 are re-alleged and incorporated by reference.
20. Respondent made material misstatements regarding the drilling of Bell Brothers #4 well.
21. Respondents used the money invested in BB#4 well for other purposes.
22. Respondents failed to disclose to investors that they were prohibited in other jurisdictions.

NOTICE OF HEARING

- 5 -

23. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.”
24. By virtue of the foregoing, Respondents violated Sections 12.G of the Act.
25. The aforementioned findings are based upon credible evidence.


You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130)(the “Rules”), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance

A link of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 1st day of June 2012.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Mary A. Lopez
Illinois Secretary of State Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-3023
mlopez@ilsos.net

NOTICE OF HEARING

- 6 -

Hearing Officer:
Soula Spyropoulos
4125 W. Lunt
Lincolnwood, Illinois 60712
(773) 282-3400