

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: DIVERSE ENERGY INVESTMENT)
 GROUP INC., CADDO)
 PARISH JOINT VENTURE #1 AND)
 THEIR OFFICERS, DIRECTORS,) File No 1200277
 EMPLOYEES, AFFILIATES,)
 SUCCESSORS, AGENTS AND)
 ASSIGNS)
)

ORDER OF PROHIBITION

TO THE RESPONDENTS Diverse Energy Investment Group Inc.
 1677 E. Miles Ave., Ste. 102
 Hayden, Idaho 83835-9154

 Caddo Parish Joint Venture #1
 1677 E. Miles Ave., Ste. 102
 Hayden, Idaho 83835-9154

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on March 27, 2013 prohibiting Diverse Energy Investment Group Inc., Caddo Parish Joint Venture #1 and their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty days of the entry of the Temporary Order of Prohibition shall constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Diverse Energy Investment Group Inc., Caddo Parish Joint Venture #1 and their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns have failed to request a hearing on the matters contained in said Temporary Order within thirty days of the entry of said Temporary Order and is hereby deemed to have admitted the facts alleged in said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in said Temporary Order as the Secretary of State's final Findings of Fact as follows:

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1. Respondent, Diverse Energy Investment Group Inc., is a corporation registered in the State of Idaho with a last known address of 1677 E. Miles Ave., Ste. 102, Hayden, Idaho 83835-9154.
2. Through a private placement offering, Respondent, Diverse Energy Investment Group Inc., issued interests in "Caddo Parish Joint Venture #1", which is a general partnership registered in the State of Idaho with a last known address of 1677 E. Miles Ave., Ste. 102, Hayden, Idaho 83835-9154.
3. A Form D, Rule 506, filing for the private placement offering was made with the US Securities and Exchange Commission on July 21, 2010.
4. A Private Placement Memorandum (the "Memorandum"), dated January 31, 2011 stated that the minimum investment would be \$25,000.
5. The Memorandum also stated that the purpose of the investment was to acquire all of the working interest in three re-entry oil wells from "Wilson Drilling" The wells were originally located in Caddo Parish, Louisiana, but the location had been changed to Edwards County, Illinois.
6. No legal description was provided in the Memorandum for the Edwards County location. The location was identified merely as "Parkersburg Unit".
7. According to the Memorandum, investors were to receive a recordable assignment of the working interest upon written request.
8. The Memorandum stated that a Schedule K-1 (Form 1065) for Partner's Share of Income, Credits, Deductions, etc. was to be provided to investors by March 15th, after the close of each fiscal year
9. A Status Report provided to at least one investor, dated July 25, 2011, stated that two wells were "on pump and producing oil". Work on the third well was scheduled "to begin sometime near the end of August 2011" and would "take three to four weeks to complete"
10. A Status Report provided to at least one investor, dated January 11, 2012, stated that Respondents needed to replace the current operator and resolve "bonding and permit issues", but assured the investor that the issues would be resolved shortly and revenue would be produced.
11. On or about April 16, 2012, a Schedule K-1 (Form 1065) for Partner's Share of Income, Credits, Deductions, etc. was provided to at least one investor.

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12. A Status Report provided to at least one investor, dated November 2, 2012, stated that there had been unforeseen delays, "including theft of the vast majority of the equipment which was on site".
13. The Illinois Department of Natural Resource has no record in the Office of Mines and Minerals (the "Office") of either Respondent holding a permit for drilling in Illinois or any record of either Respondent owning any well in Illinois
14. The Office used the information provided within the Memorandum to identify possible locations for the wells referred to by the Respondents. However, an inspection revealed that the sites had been inactive for an extended period of time
15. The Illinois Securities Department (the "Department") had a letter requesting further information delivered by certified mail to Respondents on January 28, 2013.
16. A reply to the Department's letter was emailed to the Department on February 15, 2013 However, the reply was not responsive to all of the requests.
17. The interests in Respondent, Caddo Parish Joint Venture #1, are a security as that term is defined pursuant to Section 2.1 of the Act.
18. Respondents, Diverse Energy Investment Group Inc. and Caddo Parish Joint Venture #1, are issuers as that term is defined pursuant to Section 2.2 of the Act.
19. Section 11.B of the Act provides, inter alia, that the Secretary of State may require financial statements and reports of the issuer as often as circumstances may warrant. In addition, the Secretary of State may make or cause to be made investigations respecting the business, affairs and property of the issuer of securities.
20. Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 of the Act.
21. Despite repeated requests for information, Respondents have failed to provide the Department with records conclusively identifying the location of the wells or any records regarding their operation or status.
22. Section 12 F of the Act provides, inter alia, that it shall be a violation of the Act 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.

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23. At all times relevant hereto, Respondents, Diverse Energy Investment Group Inc. and Caddo Parish Joint Venture #1, deceived investors as to the location of the wells and/or their operation.
24. Section 12.H of the Act provides, inter alia, that it shall be a violation of the Act to sign or circulate any statement, prospectus or other paper or document pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
25. The Memorandum and Status Reports disseminated to investors by Respondents, Diverse Energy Investment Group Inc. and Caddo Parish Joint Venture #1, contained information about the wells' location and operation that Respondents knew or should have known to be untrue.
26. Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000 for each violation of the Act, as well as the costs of investigation and reasonable expenses.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in said Temporary Order as the Secretary of State's final Conclusions of Law as follows:

27. By virtue of the foregoing, the Respondents, Diverse Energy Investment Group Inc., Caddo Parish Joint Venture #1 and their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, have violated Sections 12.D, 12.F and 12 H of the Act.
28. By virtue of the foregoing, Respondents, Diverse Energy Investment Group Inc., Caddo Parish Joint Venture #1 and their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, are subject to a fine of up to \$10,000 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Diverse Energy Investment Group Inc., Caddo Parish Joint Venture #1 and their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns are hereby permanently PROHIBITED from offering and/or selling securities in or from the State of Illinois.

ENTERED. This 29th day of April, 2013

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JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony for each offense.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

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