

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: )

GENESIS E & P, INC., )  
DAVID GLASS, )  
WILLIAM RAUHAUSER, )  
and their partners, officers and directors, )  
agents, employees, affiliates, successors )  
and assigns. )

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No. 1400604

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS: GENESIS E & P, INC.  
DAVID GLASS  
WILLIAM RAUHAUSER  
1701 SHOAL CREEK ROAD  
SUITE 231  
HIGHLAND VILLAGE, TEXAS 75077

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Genesis E & P, Inc (at times hereinafter "Genesis" and together with David Glass and William Rauhauser "Respondents") was at all times relevant herein a corporation with last known addresses of 1701 Shoal Creek Road, Suite 231, Highland Village, Texas 75077.
2. Respondent David Glass (at times hereinafter "Glass" or together with Genesis and William Rauhauser "Respondents") was, at all times relevant herein, an executive officer, director and agent of Genesis has a last known address of 1701 Shoal Creek Road, Suite 231, Highland Village, Texas 75077.

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3. Respondent William Rauhauser (at times hereinafter "Rauhauser" or together with Genesis and Glass "Respondents") was, at all times relevant herein, an executive officer, director and agent of Genesis has a last known address of 1701 Shoal Creek Road, Suite 231, Highland Village, Texas 75077.
4. Shortly prior to April 26, 2011 Respondents, personally or through their agents, "cold-called" an Illinois resident ("Investor"), and offered Investor the opportunity to invest in an oil well venture called the Dalusa 1-A joint venture.
5. Investor had no relationship with, connection to, or knowledge of Respondents or their activities prior to the phone call made to Investor by Respondents.
6. On or about April 26, 2011 Investor purchased a 1/16 unit in the Dalusa 1-A joint venture for \$16,570.42, and paid said sum to Respondents.
7. Shortly prior to August 25, 2011 Respondents, personally or through their agents, again phoned Investor with another opportunity to invest in an oil well venture called the Dalusa 1-A joint venture.
8. On or about August 25, 2011 Investor purchased a 1/6 unit in the Dalusa 1-A joint venture for \$27,517.00, and paid said sum to Respondents.
9. The activities described above in paragraphs 4-8 constitute the offer and sale of fractional oil interests and are therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

**FAILURE TO REGISTER SECURITIES**

10. Section 5 of the Act provides, *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
11. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.

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12. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
13. Section 12.D of the Act provides *inter alia* that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.
14. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
15. The Secretary of State deems it necessary based upon information and belief that Respondent Genesis is currently active, and may solicit additional Illinois investors.
16. The entry of this Temporary Order of Prohibition prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Genesis E & P, Inc., David Glass and William Rauhauser**, and their partners, officers and directors, agents, employees, affiliates, successors and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the

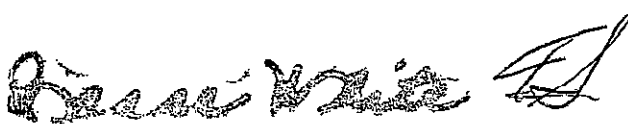
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effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 19<sup>th</sup> day of July 2016.



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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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