

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF:

GILLIGAN SEWELL &  
7S OIL & GAS

)  
)  
) File No 18-00285  
)  
)  
)

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT: Gilligan Sewell  
4310 S. Highway 349  
Midland, Texas 79706

7s Oil & Gas, LLC.  
4310 S. Highway 349  
Midland, Texas 79706

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:

BACKGROUND FACTS

1. Respondent Gilligan Sewell is President of Respondent 7s Oil & Gas, LLC.
2. On or around July 16, 2016, Investor KK, a citizen of Illinois, and who provided Respondent Gilligan with \$60,000, signed with Respondent Gilligan a Joint Operating Agreement as well as a Joint and Contingent Purchase and Sale Agreement of Certain Surface and Mineral Properties agreement that was attached to an Assent for Joint Purchase and Incorporation.
3. These acts constituted the offer and sale of a security as those terms are defined in 815 ILCS 5/2.1, 2.5, and 2.5(a) of the Illinois Securities Act (the "Act").

**COUNT I****Fraud or Deceit**

4. The Joint Operating Agreement signed between Respondent Gilligan and Investor KK, stated that "[e]ach party shall be entitled to receive directly payment for its proportionate share of the proceeds from the sale of all [a]vailable production."
5. Further, Respondent Gilligan promised Investor KK that he would receive proof of ownership of the wells that were being purchased.
6. To date, investor KK has not received any royalty checks or proof of ownership in the proposed wells.
7. §12(F) of the Act prohibits, *inter alia*, the engagement in any transaction, practice, or course of business in connection with the sale of securities which works or tends to work a fraud or deceit upon the purchaser.
8. §12(I) of the Act prohibits the employment of any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
9. By virtue of the foregoing, Respondents violated §§12(F) and (I) of the Act.

**COUNT II****Circulating a False Statement**

10. Among the documents that Investor KK received from Respondent Gilligan was a Project Summary of the oil investment project.
11. Among the claims that Respondent Gilligan made in this Project Summary was that Respondent 7s Oil & Gas was the operator for three oil wells in Reeves County, Texas.
12. The Texas Railroad Commission, however, notes that a different operator was operating the three oil wells at the time that Investor KK received the Project Summary. This other oil operator is currently still operating the respective oil wells.
13. §12(H) of the Act prohibits, *inter alia*, the circulating of any statement pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
14. By virtue of the foregoing, Respondents violated §12(H) of the Act.


NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by §11(F)(2) of the Act, Respondents Gilligan Sewell and 7s Oil &

Gas, LLC. 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 Respondent may request a hearing on this matter by transmitting such request in writing to Enforcement Attorney, Mitchell Paglia, Illinois Securities Department, 69 W. 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 and will extend the effectiveness of this Temporary Order for sixty 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 21<sup>st</sup> Day of November

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Illinois Securities Department  
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