IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS FORT WORTH DIVISION

UNITED STATES SECURITIES	§	
AND EXCHANGE COMMISSION,	§	
Plaintiff,	§ §	
	§	
v.	§	
	§	
THE HEARTLAND GROUP VENTURES, LLC;	§	
HEARTLAND PRODUCTION AND RECOVERY	§	
LLC; HEARTLAND PRODUCTION AND	§	
RECOVERY FUND LLC; HEARTLAND	§	
PRODUCTION AND RECOVERY FUND II LLC;	§	
THE HEARTLAND GROUP FUND III, LLC;	§	
HEARTLAND DRILLING FUND I, LP; CARSON	§	
OIL FIELD DEVELOPMENT FUND II, LP;	§	
ALTERNATIVE OFFICE SOLUTIONS, LLC;	§	
ARCOOIL CORP.; BARRON PETROLEUM	§	
LLC; JAMES IKEY; JOHN MURATORE;	§	
THOMAS BRAD PEARSEY; MANJIT SINGH	§	No. 4:21-cv-01310-O
(AKA ROGER) SAHOTA; and RUSTIN	§	
BRUNSON,	§	
	§	
Defendants,	§	
	§	
and	§ §	
	§	
DODSON PRAIRIE OIL & GAS LLC, et al.	§	
,	§	
Relief Defendants.	§	
	§	

ORDER

On December 10, 2021, the Court required the parties to submit additional briefing regarding the preliminary injunction against Defendant Rustin Brunson. *See* ECF No. 45. The Court now considers Brunson's Response (ECF No. 48), and the SEC's Response (ECF No. 49), both filed December 13.

Defendant argues that his good faith cooperation with the SEC is "frustrated by Rule

506(d)(1), which disqualifies private offerings from registration exemptions when certain 'bad

actors' participate." Def.'s Resp. 2, ECF No. 48. If Brunson is deemed a "bad actor," he will be

"de facto enjoined from participating in private oil and gas securities offerings for at least the

next five years." Id. at 3.

Meanwhile, the SEC asserts that to exempt Brunson from the "bad actor" designation

"would be contrary to the public interest and leave investors at risk during the pendency of the

action." SEC's Resp. 7, ECF No. 49. The SEC uses a number of factors to determine whether a

"bad actor" has shown good cause for a waiver. Having assessed these factors based on the

record, the SEC determined that waiver is not appropriate for Brunson.

Having considered the briefing, the Court **DENIES** Defendant's request to include the

additional "No 'Bad Actor' Disqualification" provision in the Agreed Preliminary Injunction.

Having resolved the matter, the Court CANCELS the hearing scheduled tomorrow,

December 14, 2021, and will enter the proposed Agreed Preliminary Injunction Against

Defendant Rustin Brunson.

SO ORDERED on this 13th day of December, 2021.

Reed O'Connor

UNITED STATES DISTRICT JUDGE

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