

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

RAY MACKMIN  
Unregistered

ENF-22-020094

Respondent.

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Issued and entered  
this 12th day of May 2023

**STIPULATION AND CONSENT ORDER**  
**RESOLVING NOTICE AND ORDER TO CEASE AND DESIST**

A. **Relevant information and statutory provisions**, under the Michigan Uniform Securities Act (2002) (the “Act”), 2008 PA 551, MCL 451.2101 *et seq.*:

1. On August 31, 2022, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (“Bureau”) and the Director of the Bureau, who serves as the Administrator of the Act (the “Administrator”), issued a Notice and Order to Cease and Desist (“C&D Order”) to Respondent Ray Mackmin (“Respondent”).

2. Respondent is an individual who holds no registrations under the Act and has not registered any securities offerings under the Act.

3. The C&D Order was immediately effective under MCL 451.2604(2) and ordered Respondent to cease and desist from violating MCL 451.2301 and MCL 451.2402; however, Respondent timely requested an administrative hearing on the C&D Order under MCL 451.2604(2) and (3) (the “Hearing Request”).

4. Following issuance of the C&D Order, the Bureau and Respondent (collectively, “the Parties”) engaged in settlement negotiations through this Stipulation and Consent Order Resolving Notice and Order to Cease and Desist (“Consent Order”).

5. Respondent consulted with or had an opportunity to consult with legal counsel of his choosing before executing the following Stipulation.

## **B. STIPULATION**

The Parties agree to resolve the C&D Order based on the following terms:

1. Respondent neither admits nor denies any wrongdoing in connection with this matter and consents to the entry of this Consent Order only for the purpose of resolving the C&D Order in an expeditious fashion that avoids the time and expense associated with an administrative proceeding and any appeals.

2. Respondent agrees to comply with the Act in connection with all future conduct and activities, including but not limited to, ensuring that he is registered or exempt before effecting any further securities transactions in Michigan and ensuring that any securities he offers or sells in Michigan are registered or exempt.

3. Respondent agrees to pay a civil fine in the amount of one-thousand and 00/100 Dollars (\$1,000) within 60 calendar days after the issued and entered date of this Consent Order. It may be paid by check, money order, or debit or credit card. If Respondent is paying the civil fine by check or money order, Respondent must make the check payable to the “State of Michigan,” write “ENF-22-020094” on the check or

money order, enclose the “Payment Processing Stub” attached to the Payment Instructions form received with the Stipulation and Consent Order, and mail it to:

Corporations, Securities & Commercial Licensing Bureau  
Securities & Audit Division – Final Order Monitoring  
P.O. Box 30018  
Lansing, MI 48909

**Please consider mail processing delays when determining how and when to make payment.** Information about how to open an online account to submit payments by debit or credit card or how to use an existing online account to make a payment to the Bureau may be found by visiting [www.mi.gov/miclear](http://www.mi.gov/miclear). All other communications and documentation may be directed to the Bureau at the address above, or by email to [LARA-CSCL-Order-Monitoring@michigan.gov](mailto:LARA-CSCL-Order-Monitoring@michigan.gov).

4. If any portion of the fine is overdue, the Administrator may refer it to the Michigan Department of Treasury for collection action against Respondent or take other available legal action to collect the fine. Respondent is responsible for all costs and expenses incurred in complying with the terms of this Consent Order and must do so within the timeframe specified. The Administrator retains the right to pursue any action or proceeding permitted by law to enforce its provisions.

5. Respondent’s Hearing Request is revoked without further action by the Parties.

6. This Consent Order is not intended to subject Respondent to disqualification prescribed by Rule 451.2.3 under the Act; Rule 503 under Regulation Crowdfunding, 17 CFR 227.503; Rule 262 under Regulation A, 17 CFR 230.262; Rule

506(d) under Regulation D, 17 CFR 230.506(d); the rules of any self-regulatory organization; or other state or federal securities laws.

7. This matter is a public record required to be published and made available to the public, under section 11 of the Michigan Freedom of Information Act, MCL 15.241. The Bureau publishes copies of orders issued under the Act to its website and includes a summary of order content in monthly disciplinary action reports separately published there.

8. The Administrator may use any of the facts set out in the C&D Order when considering future applications for registration by Respondent, and Respondent agrees to waive any assertion or claim under MCL 451.2412(9) which would otherwise bar the Administrator from consideration of those facts in making her determination.

9. Respondent must comply with any reasonable investigative demands made by the Bureau in the future for purposes of ensuring compliance with this Consent Order or the Act.

10. Respondent waives any right to a hearing or appeal of this Consent Order and the C&D Order under the Act, the rules promulgated under the Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.

11. This Consent Order is fully effective and binding on its issued and entered date. The Administrator may accept or reject it. If the Administrator rejects it, the Bureau will submit the Hearing Request for adjudication through a formal administrative proceeding.

12. This Consent Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, agreements, understandings, and negotiations, whether oral or written, with respect to its subject matter.

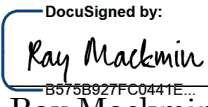
13. This Consent Order resolves only Respondent's activities, conduct, and statutory violations alleged in the C&D Order, but it does not address or resolve any other conduct or potential statutory violations engaged in by Respondent not expressly alleged in the C&D Order or occurring after the date this Consent Order is entered. Further, this Consent Order does not preclude any other individual or entity, including but not limited to authorized state or federal agencies or officials, from initiating or pursuing civil or criminal action against Respondent. The Consent Order does not preclude the Bureau or its staff from fully cooperating with any state or federal agency or official that may investigate or pursue its own civil or criminal enforcement against Respondent.

14. This Consent Order may only be modified in writing signed by each Party and approved by the Administrator's subsequent Order.

15. The Parties agree that facsimile or electronically transmitted signatures may be submitted in connection with this Consent Order and are binding on that party to the same extent as an original signature.


Through his signature, Respondent confirms that he read, understands, and agrees to the above terms.

Stipulation & Consent Order  
Ray Mackmin  
ENF-22-020094  
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Signed:   
Ray Mackmin

Dated: May 5, 2023

Reviewed and Acknowledged by:

Signed:   
Everett Pritchard (Colorado Bar #48854)  
HLBS Law  
9737 Wadsworth Pkwy  
Westminster, CO 80021  
Attorney for Respondent

Dated: May 5, 2023

Approved by:

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_  
Lindsay DeRosia  
Securities & Audit Division Director  
Corporations, Securities & Commercial Licensing Bureau

Reviewed and Drafted by:

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_  
Aaron Levin (P81310)  
Assistant Attorney General  
Attorney for the Bureau

Signed: \_\_\_\_\_  
Ray Mackmin

Dated: \_\_\_\_\_

Reviewed and Acknowledged by:

Signed: \_\_\_\_\_  
Everett Pritchard (Colorado Bar #48854)  
HLBS Law  
9737 Wadsworth Pkwy  
Westminster, CO 80021  
Attorney for Respondent


Dated: \_\_\_\_\_

Approved by:

Signed:  \_\_\_\_\_  
Lindsay DeRosia  
Securities & Audit Division Director  
Corporations, Securities & Commercial Licensing Bureau

Dated: 5/8/23

Reviewed and Drafted by:

Signed:  \_\_\_\_\_  
Aaron Levin (P81310)  
Assistant Attorney General  
Attorney for the Bureau

Dated: 5/8/23

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THE ABOVE FULLY EXECUTED  
STIPULATION ARE INCORPORATED IN THIS CONSENT ORDER.

By: /s/ Linda Clegg

Linda Clegg

Administrator and Director

Corporations, Securities & Commercial Licensing Bureau



**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU**

In the matter of:

ENF-22-020094

RAY MACKMIN  
Unregistered

Respondent.

\_\_\_\_\_ /

Issued and entered  
This 31st day of August, 2022

**NOTICE AND ORDER TO CEASE AND DESIST**

Linda Clegg, the Director (“Administrator”) of the Corporations, Securities, and Commercial Licensing Bureau (“Bureau”), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (“Securities Act”), hereby orders Ray Mackmin (“Respondent”) to cease and desist from offering or selling unregistered securities and from acting as an unregistered agent, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. Respondent**

1. Respondent Ray Mackmin is an individual who holds no registrations under the Securities Act and has not registered any securities offerings under the Securities Act.

**B. Findings of Fact**

1. The Bureau received a complaint about Respondent and opened an investigation of Respondent’s activities under the Securities Act.
2. The investigation developed evidence that Respondent marketed, offered, sold, and assisted investors in effecting purchases of securities issued by an entity he wholly-owned called Viking Oil and Gas Fund, LLC, a Texas-organized limited liability company. Viking Oil and Gas Fund, LLC was managed by Wolverine

Oil and Gas Management, LLC, another entity wholly-owned by Respondent, and the entity through which Respondent collected and compensated himself 6% commissions for the offer and sale of Viking Oil and Gas Fund, LLC investments to clients. Viking Oil and Gas Fund, LLC collected investment funds from Michigan investors and then invested the entirety of those funds in various oil and gas ventures sponsored by The Heartland Group Ventures, LLC, Heartland Production and Recovery LLC and associated entities (collectively “Heartland”). The United States Securities and Exchange Commission (“SEC”) filed a civil action in December 2021 alleging that Heartland was a ponzi scheme that had defrauded investors around the United States out of hundreds of millions of dollars.<sup>1</sup>

3. The Viking Oil and Gas Fund, LLC investments were not registered, and Respondent has failed to identify a relevant<sup>2</sup> exemption, exception, preemption, or exclusion justifying the failure to register.
4. Respondent acted as an agent on behalf of Heartland and Viking Oil and Gas Fund, LLC by offering and selling Viking Oil and Gas Fund, LLC securities to Michigan investors, then investing all of those funds in Heartland ponzi securities.

## **II. RELEVANT STATUTORY PROVISIONS**

1. Section 102(b) of the Securities Act defines “Agent” as:

an individual other than a broker-dealer who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents

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<sup>1</sup> See SEC Litigation Release No. 25284 (December 8, 2021). Available at: <https://www.sec.gov/litigation/litreleases/2021/lr25284.htm>

<sup>2</sup> Respondent’s attorney stated in correspondence during the investigation that, “Heartland is not a security, it is a PPM. It has a Reg D Offering exemption.” The statement is nonsensical. Heartland issued securities in the form of notes and investment contracts and claimed reliance on securities registration exemptions. The reliance on an exemption from registration presupposes that Heartland was issuing “securities” that were required to be registered or exempt, and it elected to rely on a registration exemption. Further, a “PPM” is a “private placement memorandum” which is a disclosure document used by issuers of securities relying on an exemption from registration under 17 CFR 230.506(b) or (c) to disclose risks and benefits associated with securities issued under that offering exemption. Respondent’s claim that Heartland itself was a private placement memorandum and not a security is, at best, a misuse of securities law jargon and beyond that, irrelevant to the issue of whether the Viking Oil and Gas Fund, LLC securities were registered or exempt from registration. Respondent also claimed through counsel that the securities he sold were federal covered securities issued in reliance on 17 CFR 230.506(b) (“Rule 506(b)”) and therefore exempt from registration under MCL 451.2301(a); however, Respondent generally solicited investors on his Facebook page by publicly advertising the investment opportunity and therefore is unable to rely on Rule 506(b), as it prohibits general solicitation on public websites such as Facebook. No applicable exemption has been identified for Respondent’s offers and sales of Viking Oil and Gas Fund, LLC securities to Michigan investors.

an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. The term does not include a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions, unless the individual otherwise comes within the term. The term does not include an individual excluded by rule or order under this act. The term does not include a person acting solely as a finder and registered as a broker-dealer under this act or acting as a finder in a transaction exempt under section 202(1)(r).

2. Section 102(c) of the Securities Act defines "Security", in part, as:

a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

(v) The term includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor. As used in this subparagraph, a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

3. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under sections 201 to 203.
- (c) The security is registered under this act.

4. Section 402(1) of the Securities Act, MCL 451.2402(1), states in relevant part:

(1) An individual shall not transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (2).

5. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusions.

### **III. CONCLUSIONS OF LAW**

1. Respondent Ray Mackmin offered and sold Viking Oil and Gas Fund, LLC investment contract securities that were not federal covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.
2. Respondent Ray Mackmin acted as an agent of Viking Oil and Gas Fund, LLC without being registered or exempt from registration, in violation of section 402(1) of the Securities Act, MCL 451.2402(1).

### **IV. ORDER**

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from offering or selling unregistered securities and from acting as an unregistered agent, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In a Final Order, the Administrator intends to impose civil fines of \$20,000.00 against Respondent under MCL 451.2604(4). This Notice and Order to Cease and Desist may become final pursuant to Section VI, below.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted

**Notice & Order to Cease & Desist**  
**Ray Mackmin**  
**ENF-22-020094**

of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. **NOTICE OF OPPORTUNITY FOR HEARING**

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, MI 48909

Or by email to: [CSCL-FOIA@Michigan.gov](mailto:CSCL-FOIA@Michigan.gov)

VI. **ORDER FINAL ABSENT HEARING REQUEST**

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law.
- B. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

/s/ Linda Clegg  
Linda Clegg, Director, Corporations, Securities, and  
Commercial Licensing Bureau

8/31/2022  
Date

Notice & Order to Cease & Desist  
Ray Mackmin  
ENF-22-020094