

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 1722/August 22, 2014

ADMINISTRATIVE PROCEEDING  
File No. 3-16000

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In the Matter of

HOUSTON AMERICAN ENERGY CORP.,	:	PROTECTIVE ORDER
JOHN F. TERWILLIGER, JR.,	:	
UNDISCOVERED EQUITIES INC., and	:	
KEVIN T. MCKNIGHT	:	

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The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on August 4, 2014, pursuant to Sections 8A of the Securities Act of 1933 and 21C of the Securities Exchange Act of 1934. The Division of Enforcement (Division) has declined to produce certain documents to Respondents Houston American Energy Corp. (Houston American) and John F. Terwilliger, Jr. (Terwilliger), without a protective order.<sup>1</sup> These documents contain individuals' personal financial information and personally identifiable information reflected in Bluesheet trading data and confirmations of Bluesheet data submissions (collectively Bluesheet Documents) and brokerage account statements (Brokerage Account Documents). The Division and Respondents Houston American and Terwilliger have agreed that this information should be protected from disclosure.

IT IS THEREFORE ORDERED AS FOLLOWS:

The following provisions shall govern the production, handling, and review of Bluesheet Documents and Brokerage Account Documents produced by the Division to the Respondents:

1. The Division will make all of the Bluesheet Documents available for inspection and copying, in unredacted form, by the attorneys employed by the law firms that have been engaged to represent the Respondents in this proceeding. Further, the Division will make all of the Brokerage Account Documents available for inspection and copying, in unredacted form, except that the Division may redact from Brokerage Account Documents those entries reflecting transactions in securities unrelated to Houston

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<sup>1</sup> Respondents Undiscovered Equities Inc. (Undiscovered Equities), and Kevin T. McKnight (McKnight) were served with the OIP on August 14, 2014, by process server Rossana I. Thomas, by delivering true copies of the OIP to McKnight's spouse at McKnight's usual place of abode. See 17 C.F.R. § 201.141(a)(2)(i)-(ii) This Protective Order is binding on Undiscovered Equities and McKnight.

American. Except as otherwise provided herein, Respondents' Counsel shall not disclose the Bluesheet Documents, Brokerage Account Documents, or any information contained therein to any person other than: (a) the Respondents; (b) office personnel of Respondents' Counsel who are engaged in the preparation for the hearing in this proceeding; (c) independent outside persons (i.e., persons not employees of or business consultants of a Respondent) requested by Respondents' Counsel to furnish technical or expert services or to give testimony in this proceeding who execute an acknowledgement agreeing to be bound by and to comply with the terms of this Order; (d) the presiding Administrative Law Judge (ALJ), including necessary administrative, stenographic, secretarial, and clerk personnel assisting the ALJ; (e) the person or entity whose securities transactions are reflected in the Bluesheet Documents or Brokerage Account Documents, provided that if the Bluesheet Documents or Brokerage Account Documents contain data for more than one unrelated persons or entities, the Bluesheet Documents or Brokerage Account Documents shall be redacted to only show data for the person or entity being shown such documents; and (f) any other persons as the parties may agree to in writing or as the ALJ may, upon hearing, so direct. To the extent Bluesheet Documents or Brokerage Account Documents are provided by Respondents' Counsel to Respondents, Respondents' Counsel shall first redact all account numbers, telephone numbers, social security numbers, addresses, and those entries reflecting transactions in securities unrelated to Houston American.

2. All persons obtaining access to the Bluesheet Documents, Brokerage Account Documents, or information contained therein, including Respondents and Respondents' Counsel, shall use those documents and that information solely for the preparation for the hearing in this proceeding, including any appeal, and shall not use those documents or information for any other purpose. In no event other than during the presentation of evidence in the public hearing in this matter shall the Bluesheet Documents, Brokerage Account Documents, or information contained therein be disclosed to any person other than: (a) the Respondents and Respondents' Counsel and their office personnel engaged in the preparation for the hearing in this proceeding; (b) independent outside persons (i.e., persons not employees of or business consultants of a Respondent) requested by Respondents' Counsel to furnish technical or expert services or to give testimony in this proceeding who execute an acknowledgment agreeing to be bound by and to comply with the terms of this Order; (c) the ALJ, including necessary administrative, stenographic, secretarial, and clerk personnel assisting the ALJ; (d) the person or entity whose securities transactions are reflected in the Bluesheet Documents or Brokerage Account Documents, provided that if the Bluesheet Documents or Brokerage Account Documents contain data for more than one unrelated persons or entities, the Bluesheet Documents or Brokerage Account Documents shall be redacted to only show data for the person or entity being shown such documents; (e) any other persons as the parties may agree to in writing or on the record, or as the ALJ may, upon hearing, so direct. The acknowledgment required to be executed by each independent outside person to whom disclosure may be made shall be retained by the Respondents' Counsel that engages such person and need not be disclosed except at the direction of the ALJ.

3. If Respondents file any Bluesheet Document or Brokerage Account Document with the Office of the Secretary (Secretary) without providing advance notice to the Division, except documents that have been received in evidence during the hearing on this matter and are not subject to additional confidentiality restrictions pursuant to an agreement between the offering party and the Division under Paragraph 9 herein, those documents filed shall be (a) clearly labeled on the cover page as containing confidential information subject to this protective order and (b) filed in sealed envelopes or other appropriate sealed containers on which shall be listed the title of this proceeding, an indication of the nature of its contents, and a statement substantially in the following terms:

CONFIDENTIAL. Filed Pursuant to Protective Order. Not to be opened nor the contents revealed except (1) to the Administrative Law Judge, (2) by agreement of the parties, or (3) by prior order of the Administrative Law Judge.

4. Respondents may file Bluesheet Documents or Brokerage Account Documents with the Secretary in unsealed form, and not subject to the provisions of Paragraph 6 herein, provided that those documents have been received in evidence during the hearing on this matter and are not subject to additional confidentiality restrictions pursuant to an agreement between the offering party and the Division under Paragraph 9 herein. Respondents may file other Bluesheet Documents or Brokerage Account Documents with the Secretary in unsealed form provided that Respondents' Counsel provide to the Division a written list of the specific other Bluesheet Documents or Brokerage Account Documents it intends to file. Within ten business days after receipt of this notice, the Division will state whether it has any objection to the filing of any such documents in unsealed form. In the event of a dispute between Respondents' Counsel and the Division as to whether any Bluesheet Documents, Brokerage Account Documents, or the information derived from those documents should be filed without sealing, that dispute shall be submitted to the ALJ for a ruling.
5. If any party receiving Bluesheet Documents, Brokerage Account Documents, or information contained therein (a) is subpoenaed in another action or proceeding, served with a demand in another action or proceeding in which it is a party, or is served with any other legal process (or other request for production with which it intends to comply) seeking Bluesheet Documents, Brokerage Account Documents, or information contained therein; or (b) is subject to a court order, administrative ruling, or statutory or regulatory obligation seeking to compel the disclosure of any such material (collectively, a compelled disclosure), the party shall give actual prompt written notice to counsel for the Division, by hand, email, or facsimile transmission, but in no event later than three business days of receipt of such compelled disclosure. Unless otherwise ordered by a court or appropriate tribunal, the receiving party shall not produce any of the Bluesheet Documents, Brokerage Account Documents, or information contained therein for a period of at least ten days after providing the required notice to the Division. During that ten-day period, the Division may seek protection from, or file objections to, the production of the Bluesheet Documents, Brokerage Account Documents, or information contained therein in the appropriate forum. Only the Division shall be responsible for asserting any objection to the requested production. Nothing herein shall be construed as requiring the receiving party or anyone else covered by

this Order to (a) challenge or appeal any order issued in another proceeding that requires production or disclosure of any Bluesheet Documents, Brokerage Account Documents, or information contained therein, (b) subject himself/herself to any penalties for noncompliance with any legal process, order, or statutory or regulatory obligation, or (c) seek any relief in the appropriate forum.

6. If, during the hearing in this proceeding, a party intends to offer into evidence any Bluesheet Documents or Brokerage Account Documents, exhibits, testimony, or other materials that reveal or may tend to reveal information in the Bluesheet Documents or Brokerage Account Documents that have not already been the subject of an agreement between the offering party and the Division, counsel for the party shall provide the Division with as much notice as practicable and thereafter counsel for all parties shall meet and confer in an attempt to agree on the procedures for offering into evidence at hearing the Bluesheet Documents, Brokerage Account Documents, or the information contained therein. If the parties are unable to agree, they shall submit to the ALJ their proposals for such procedures.
7. In the event of an unauthorized use or disclosure of a Bluesheet Document, Brokerage Account Document, or any information contained therein, the party responsible for such use or disclosure shall notify counsel for the Division immediately and make good faith efforts to remedy the unauthorized use or disclosure and prevent further unauthorized use or disclosure.
8. The restrictions on dissemination of Bluesheet Documents, Brokerage Account Documents, or the information contained therein shall not apply to (a) information obtained by a party through lawful means other than the process by which the Division provides Respondents' Counsel with the opportunity to inspect the Bluesheet Documents and Brokerage Account Documents pursuant to Rule 230 of the Commission's Rules of Practice, 17 C.F.R. § 230, (b) information which, prior to disclosure hereunder, is either in the possession or knowledge of Respondents or a person who, absent this Order, is under no restriction with respect to the dissemination of the Bluesheet Documents, Brokerage Account Documents, or the information contained therein, (c) information which is public knowledge or which, after disclosure, becomes public knowledge other than through a violation of the terms of this protective order, or (d) information contained in redacted Bluesheet trading data and form confirmations of Bluesheet data submissions produced by the Division to Respondents.
9. Notwithstanding any other provision contained herein, the Division may use and disclose any and all Bluesheet Documents or Brokerage Account Documents for any of the "Routine Uses of Information" identified in Form SEC 1661 (09-11) (Supplemental Information for Entities Subject to Inspection by the Commission and Directed to Supply Information Other Than Pursuant to Commission Subpoena) or Form SEC 1662 (09-11) (Supplemental Information For Persons Requested to Supply Information Voluntarily Or Directed To Supply Information Pursuant To A Commission Subpoena).
10. This protective order shall remain in force and effect until modified, superseded, or terminated on the record by agreement of the parties hereto or by order of the ALJ.

11. Upon final termination of this proceeding, each Respondent that is subject to this protective order shall either destroy or assemble and return to the Division all of the Bluesheet Documents or Brokerage Account Documents in its possession and all items containing the information found in the Bluesheet Documents or Brokerage Account Documents, including all such copies of such matter which may have been made, but not including record files or attorney work product files. Any documents permitted to be retained under this provision shall remain, at all times, subject to this protective order. If a Respondent elects to destroy the Bluesheet Documents, Brokerage Account Documents, and other materials containing information obtained therefrom, that Respondent shall by letter, within sixty days of the final termination of this proceeding, certify that all Bluesheet Documents, Brokerage Account Documents, and materials containing information obtained therefrom (subject to the exceptions noted herein) have been destroyed.
12. Any notice required or permitted herein shall be made to counsel of record in this proceeding or such other persons as subsequently may be designated by a party. Notice may be made by either facsimile or email, provided that a hard copy is provided by hand delivery or overnight courier.

IT IS SO ORDERED.

/S/ Carol Fox Foelak  
Carol Fox Foelak  
Administrative Law Judge