

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79348 / November 18, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17688

In the Matter of

Cody M. Winters,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Cody M. Winters (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Winters, age 44, is a resident of Fort Worth, Texas. He was associated with a registered broker from July 2007 through October 2010 under CRD number 5264005. From at least June 2010 through 2014, while acting as a broker, Winters used means of interstate commerce to induce investors to purchase the securities of Southlake Resources Group, LLC, fka Southlake

Energy, LLC (“Southlake”), a Missouri limited liability company headquartered in Fort Worth, Texas.

2. Winters began selling Southlake securities in June 2010 while still associated with a registered broker, but these sales were outside the scope of his employment with the registered broker. After October 2010, Winters continued to sell Southlake securities while no longer associated with a registered broker.

3. On October 27, 2016, a final judgment was entered by consent against Winters, permanently enjoining him from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 15(a) of the Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder in the civil action entitled *Securities and Exchange Commission v. Southlake Resources Group, LLC et al.*, Civil Action No. 4:16-cv-00992-O, in the United States District Court for the Northern District of Texas, Fort Worth Division.

4. The Commission’s complaint alleged that Winters violated Sections 5(a) and 5(c) of the Securities Act by offering and selling Southlake securities in transactions that were not registered with the Commission and violated Section 15(a) of the Exchange Act by acting as an unregistered broker in those transactions. According to the complaint, Winters and other members of Southlake’s sales force raised more than \$5.2 million from investors in 12 Southlake securities offerings from 2010 through 2014. The Commission alleged that Winters violated anti-fraud provisions of the securities laws—Securities Act Section 17(a), Exchange Act Section 10(b), and Exchange Act Rule 10b-5—by, among other things, making untrue and misleading statements in the Southlake securities transactions and by misusing investor proceeds.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Winters’ Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Winters be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Winters be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially

waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary