

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21302**

**In the Matter of**

**EMILIO BARRERA, JR.**  
**(A/K/A MIKE BARRERA),**

**Respondent.**

**DIVISION OF ENFORCEMENT'S**  
**MOTION FOR ENTRY OF DEFAULT**  
**AND REMEDIAL SANCTIONS**

Pursuant to the Order to Show Cause, AP Rulings Rel. No. 98800 (October 26, 2023) (“Show Cause Order”) and subsequent orders extending time, the Division of Enforcement (“Division”) hereby files this motion for default and remedial sanctions.

**I. INTRODUCTION**

This is a follow-on administrative proceeding based on the entry of a permanent injunction against Respondent Emilio Barrera, Jr. (a/k/a Mike Barrera) (“Barrera”). Respondent was properly served with the Order Instituting Proceedings (“OIP”) in this matter on August 19, 2023 and was required to file an answer by September 8, 2023, which he failed to do. On October 26, 2023, the Commission issued the Show Cause Order requiring Barrera to respond or face default, which again Respondent ignored. Respondent has not filed an answer, and thus, is in default. Therefore, the Division moves, pursuant to Rules 155(a)(2) and 220(f) of the Securities and Exchange Commission (“SEC”)’s Rules of Practice, for a finding that Respondent is in default and for the imposition of remedial sanctions. The Division specifically requests that Respondent be permanently barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, or from participating in an offering of penny stock.

## II. BACKGROUND

### A. Underlying Action

On February 3, 2022, a judgment was entered by consent (“Judgment”) against Barrera, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Plummer, et al.*, Civil Action Number 3:21-CV-2331-B, in the United States District Court for the Northern District of Texas, Dallas Division (the “District Court Action”). As part of that settlement, Barrera agreed that “in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, [he would not] contest the factual allegations of the complaint in [the district court] action.” See Declaration of Jennifer D. Reece (“Reece Dec.”), Ex. 1, Doc. 23-1 at ¶ 10 (Consent).

The Commission’s complaint alleged that from November 2018 to September 2020 (the “relevant period”), Barrera, through PRT Consulting, LLC d/b/a Petroleum Resources of Texas (“Petroleum Resources”), and Mark Allan Plummer (“Plummer”), through Richmond Engineering, Inc. (“Richmond Engineering”), engaged in a scheme to defraud more than 70 investors out of over \$7 million through the unregistered offer and sale of interests in oil and gas well projects. See Reece Dec., Ex. 3, at ¶ 1 (Complaint). The complaint alleged that Barrera lied to investors about his credentials and his and Petroleum Resources’ experience in the oil and gas industry. *Id.* at ¶ 4. Barrera told investors that, among other things, he would oversee and manage the well projects, when in truth, Plummer, an undisclosed securities fraud recidivist, was actually doing so. *Id.* The complaint further alleged that instead of spending investor funds on the well projects as promised, Barrera misused and misappropriated investor funds, including to pay for his lavish lifestyle, to pay

back earlier investors, and to divert funds to Plummer and Richmond Engineering. *Id.* The complaint further alleged that Barrera offered and sold the securities at issue to investors and received undisclosed commissions but was not registered as a broker during the relevant period of misconduct. *Id.* at ¶¶ 90-94; *see also* OIP ¶ B.3 (summarizing the allegations in the district court complaint).

On August 18, 2023, the Commission filed a motion for monetary remedies and for entry of final judgment against Barrera (“Motion for Remedies”) in the District Court Action, which was granted. *See* ECF Dkt. 50, attached hereto as Reece Dec., Ex. 3. On February 20, 2024, the district court entered a final judgment as to Barrera, finding him liable for disgorgement of \$3,525,033 and prejudgment interest of \$342,405.56, and imposing a civil penalty of \$1,762,516.50. *See* ECF Dkt. 71, attached hereto as Reece Dec., Ex. 4.

**B. The Institution of this Proceeding, the Service of the OIP, and Respondent’s Failure to Answer**

On February 14, 2023, the Commission issued the OIP. Exchange Act Rel. No. 96913. Respondent was properly served with the OIP in this matter on August 19, 2023, and was required to file an answer by September 8, 2023, which he failed to do. *See* Division’s Notice of Service, Ex. A (filed on August 23, 2023); *see also* Show Cause Order. On October 26, 2023, the Commission issued the Show Cause Order requiring Barrera to respond or face default, which again Respondent ignored. Respondent has not filed an answer, and thus, is in default. *See* SEC Rule 155(a)(2).

### III. ARGUMENT

#### A. Respondent is in Default and the Allegations of the OIP May Be Deemed to Be True.

Because Respondent has not responded to the OIP, he is in default. Rule 155(a) of the Commission's Rules of Practice states:

A party to a proceeding may be deemed to be in default and the Commission or the hearing officer may determine the proceeding against the party upon consideration of the record, including the order instituting proceedings, the allegations of which may be deemed to be true, if that party fails [] to answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding . . . .

SEC Rule 155(a). Moreover, the OIP itself provides: "If Respondent fails to file the directed Answer . . . the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true[]." (OIP at p. 3).

Respondent was properly served with the OIP on August 19, 2023, and has failed to answer. *See* Division's Notice of Service, Ex. A (filed on August 23, 2023); *see also* Show Cause Order. Under Rule 155(a), the allegations of the OIP may thus be deemed true and the hearing officer may determine the proceedings against the party upon consideration of the record, including the order instituting proceedings. *See, e.g., In re Reginald Buddy Ringgold, III*, Advisers Act Release No. 6267, 2023 WL 2705591, at \*2 (March 29, 2023) (deeming allegations of OIP true as against respondent in default).

#### B. Imposition of a Permanent Bar is Warranted.

Section 15(b)(6) of the Exchange Act authorizes the Commission to impose an associational bar against a respondent if, among other things: (1) at the time of the alleged misconduct, he was associated with a broker; (2) he is enjoined from any action, conduct or

practice specified in Section 15(b)(4)(C); and (3) a bar is in the public interest. *See* Exchange Act, Section 15(b)(6). The first two factors are established by the Complaint, which Respondent agreed not to contest, and the Judgment in the District Court Action. Specifically, the Complaint alleges that during the relevant period, Barrera was associated with Petroleum Resources, which was acting as an unregistered broker, and sold securities to investors in exchange for transaction-based compensation from sales, while not registered as a broker. *See* Complaint, at ¶¶ 90-95. In addition, Barrera was enjoined, by consent, from future violations of the antifraud and broker-registration provisions of the federal securities laws.

Finally, the record establishes that a bar is in the public interest. In determining whether an administrative sanction is in the public interest, the Commission considers a number of factors, including: (1) the egregiousness of the respondent's actions; (2) the isolated or recurrent nature of the infraction; (3) the degree of scienter involved; (3) the sincerity of the respondent's assurances against future violations; (4) recognition of wrongful conduct; and (5) the likelihood that the respondent's occupation will present future opportunities for violations. *See Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 81 (1981); *Lonny S. Bernath*, Initial Dec. Rel. No. 993 at 4, 2016 SEC LEXIS 1222 \*10-11 (Apr. 4, 2016) (*Steadman* factors used to determine whether a bar is in the public interest). These factors were addressed in the Motion for Remedies. *Reece Dec.*, Ex. 3, at pp. 8-9. Based on these arguments, the district court imposed third-tier penalties against Barrera. (ECF Dkt. 71).

As to whether a permanent bar is appropriate in a follow-on proceeding, precedents hold that, “[t]he existence of an injunction can, in the first instance, indicate the appropriateness in the public interest of a suspension or bar from participation in the securities industry.” *Michael V.*

*Lipkin and Joshua Shainberg*, Init. Dec. Rel. No. 317, 88 SEC Docket 2346, 2006 WL 2422652, at \*4 (Aug. 21, 2006), notice of finality, 88 S.E.C. Docket 2872, 2006 WL 2668516 (Sept. 15, 2006).

Over a two-year period, Barrera engaged in an egregious scheme to defraud more than 70 investors out of over \$7 million through the unregistered offer and sale of interests in oil and gas projects. Barrera lied to investors about his credentials and his and Petroleum Resources' experience in the oil and gas industry. Barrera told investors that, among other things, he would oversee and manage the well projects, when in truth, an undisclosed securities fraud recidivist was actually doing so. Instead of spending investor funds on the well projects as promised, Barrera misused and misappropriated investor funds, including to pay for his lavish lifestyle, to pay back earlier investors, and to divert funds to others in the scheme. *See* Complaint at ¶ 4.

Barrera has not acknowledged any wrongdoing; indeed, he has failed to respond to the OIP. The “absence of recognition by [a respondent] of the wrongful nature of his conduct” favors a permanent bar. *Jonathan D. Havey, CPA*, Initial Dec. Rel. No. 959, 2016 SEC LEXIS 522, at \*11 (Feb. 11, 2016) (granting permanent bar on motion for summary disposition in follow-on proceeding to criminal conviction); *see also Kimm Hannan*, Advisers Act Rel. No. 5906, at 4, 2021 WL 5161855, \*3 (Nov. 5, 2021) (“Because Hannan failed to answer the OIP or respond to the order to show cause or to the Division’s motion, he has made no assurances to us that he will not commit future violations or that he recognizes the wrongful nature of his conduct.”); *Oscar Ferrer Rivera*, Advisers Act Rel. No. 5759, at 6, 2021 WL 2593642, \*4 (June 24, 2021) (“Although his guilty plea indicates that Ferrer might have some appreciation for the wrongfulness of his conduct, it does not outweigh the evidence that he poses a risk to the investing public.”). While “[c]ourts have held that the existence of a past violation, without more, is not a sufficient basis for imposing a bar . . . the existence of a violation raises an inference that it will be repeated.” *Tzemach David*

*Netzer Korem*, Exchange Act Rel. No. 70044, at 10 n.50, 2013 WL 3864511, at n.50 (July 26, 2013) (quotation and alternations omitted). Barrera has offered no evidence to rebut that inference.

Barrera's actions establish that, unless he is barred from the securities industry, he will have the chance to again harm investors.


### III. CONCLUSION

For the foregoing reasons, the Division respectfully requests that Respondent be barred from:

- association with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and
- 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.

Dated: May 15, 2024

Respectfully submitted,



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COUNSEL FOR THE DIVISION OF  
ENFORCEMENT

**CERTIFICATE OF SERVICE**

In accordance with Rule 150 and 151 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the foregoing *Division of Enforcement's Motion for Default and Remedial Sanctions* was served on the following persons on May 15, 2024, at his last known address by the method indicated:

**By eFAP:**

Vanessa Countryman, Secretary  
Securities and Exchange Commission  
100 F. Street, N.E., Mail Stop 1090  
Washington, DC 20549-1090

**By US Mail:**

Emilio Barrera, Jr. a/k/a Mike Barrera  
By and through Collin County Jail



*Respondent, Pro Se*

*s/Jennifer D. Reece* \_\_\_\_\_

Jennifer D. Reece



**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21302**

**In the Matter of**

**EMILIO BARRERA, JR.**  
**(A/K/A MIKE BARRERA),**

**Respondent.**

**DECLARATION OF JENNIFER D.**  
**REECE IN SUPPORT OF DIVISION OF**  
**ENFORCEMENT'S MOTION FOR**  
**ENTRY OF DEFAULT AND REMEDIAL**  
**SANCTIONS**

I, JENNIFER D. REECE, pursuant to 28 U.S.C. § 1746, declare:

1. I am an attorney licensed to practice law in the State of Texas and before the United States District Court for the Northern District of Texas. I am employed as a Senior Trial Attorney in the Fort Worth Regional Office of the U.S. Securities and Exchange Commission ("SEC"), and am counsel for the Division of Enforcement in this case. I have personal knowledge or knowledge based upon my review of the file of the facts set forth in this Declaration and, if called and sworn as a witness, could and would competently testify thereto.

2. A true and correct copy of the Consent to Judgment signed by Defendant Emilio Barrera, Jr. (a/k/a Mike Barrera) ("Barrera") in the civil action entitled *Securities and Exchange Commission v. Plummer, et al.*, Civil Action Number 3:21-CV-2331-B, in the United States District Court for the Northern District of Texas, Dallas Division (the "District Court Action"), filed at Dkt. 23, is attached hereto as Exhibit 1.

3. A true and correct copy of the Agreed Judgment as to Barrera entered in the District Court Action at Dkt. 24, is attached hereto as Exhibit 2.

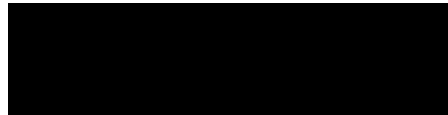
4. A true and correct copy of the Commission's complaint against Barrera in the District Court Action is attached hereto as Exhibit 3.

5. A true and correct copy of the Commission's Motion for Remedies and for Entry of Final Judgment as to Barrera in the District Court Action is attached hereto as Exhibit 4.

6. A true and correct copy of the Final Judgment Against Barrera in the District Court Action is attached hereto as Exhibit 5.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on May 15, 2024 in Fort Worth, Texas.

A solid black rectangular box redacting the signature of Jennifer D. Reece.

Jennifer D. Reece