

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 69367 / April 11, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15273**

**In the Matter of**

**JOSEPH HILTON,**  
**a/k/a JOSEPH YURKIN**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**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 Joseph Hilton, a/k/a Joseph Yurkin (“Hilton” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. Hilton, who is 51 years of age, resides in Boca Raton, Florida. From no later than March 2011 until January 2012, Hilton sold securities in the form of limited partnership units in at least three oil drilling projects in Tennessee sponsored by United States Energy Corporation (“U.S. Energy”). In connection with these sales, Hilton managed a boiler room and sales agents to assist him in soliciting contributions and paid these sales agents transaction-based commissions in exchange for finding investors and selling U.S. Energy securities.

2. In 2008, the Commission entered an order barring Hilton, a/k/a Joseph Yurkin, from associating with a broker-dealer. *In the Matter of Joseph Yurkin*, Exchange Act Release No. 58768 (Oct. 10, 2008).
  3. Hilton, who has never been registered as or with a licensed broker-dealer, and who is barred from associating with a broker-dealer, participated in unregistered broker-dealer conduct in connection with the U.S. Energy offerings.
- B. ENTRY OF AN INJUNCTION AGAINST HILTON**
4. In September 2012, the Commission filed a complaint against Hilton in Securities and Exchange Commission v. Joseph Hilton, et al. (Civil Action Number 12-CV-81033 (S.D. Fla.)). On February 28, 2013, the Court entered a judgment, to which Hilton consented, permanently enjoining Hilton from violating Sections 15(a)(1) and 10(b) and Rule 10b-5 of the Exchange Act, and Sections 5(a) and (c) and 17(a) of the Securities Act of 1933.
  5. The Commission's complaint alleged, among other things, that from no later than March 2011 until January 2012, in connection with the sale of U.S. Energy securities, Hilton misrepresented his identity, the risks associated with the investment, the anticipated dividends due to investors, the amount of oil U.S. Energy's wells produced, and otherwise engaged in a variety of conduct that operated as a fraud and deceit on investors. The complaint also alleged that Hilton sold unregistered securities.
  6. The complaint also alleged that in a second series of offerings from February 2012 until the date of filing the complaint, Hilton made numerous misrepresentations and omissions in connection with the offer and sale of unregistered securities in the form of units consisting of partnership shares in Rock Castle Drilling Fund I LP and Rock Castle Drilling Fund II LP (collectively, the "Companies"). These included false claims about the Companies' oil drilling success and omissions about Hilton's background and history with regulatory agencies.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, 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 as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary