

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-16000

In the Matter of

HOUSTON AMERICAN ENERGY CORP.,
JOHN F. TERWILLIGER,
UNDISCOVERED EQUITIES INC., and
KEVIN T. McKNIGHT

Respondents.

JOINT MOTION TO STAY

Pursuant to the Law Judge's Order of January 6, 2015 and Rule 161(c)(2) of the SEC Rules of Practice, the Division of Enforcement and Respondents Kevin T. McKnight and Undiscovered Equities, Inc. ("Respondents") hereby notify the Law Judge that the parties have reached an agreement-in-principle as to the terms of a proposed settlement of this matter and jointly move to stay further proceedings pending the Commission's consideration of such proposed settlement.¹

MEMORANDUM OF POINTS AND AUTHORITIES

Rule 161(c)(2) provides in pertinent part that "[i]f Commission staff and one or more respondents files a joint motion notifying the hearing officer that they have agreed in principle to a settlement on all major terms, then the hearing officer shall stay the proceeding as to the settling respondent(s) . . . pending completion of Commission consideration of the settlement

¹ The Court previously stayed this proceeding as to Respondents Houston American Energy Corp. and John F. Terwilliger in light of the proposed settlement as to those Respondents. *See* Order Staying Proceeding dated January 5, 2015.

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THE SECRETARY OF THE ARMY
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SUBJECT: [Illegible]

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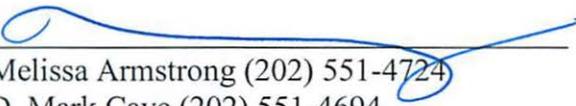
offer.” The parties have recently reached such an agreement-in-principle as to all major terms of a proposed settlement.

Although Rule 161(c)(2) makes the issuance of a stay mandatory when a proper motion has been filed, prudential considerations also strongly militate in favor of granting this motion. First, a stay will afford sufficient time for the Commission to receive and evaluate Respondents’ signed offer of settlement. Second, a stay will conserve the resources of the parties and the tribunal. Third, a stay would not unduly compress the schedule in this proceeding in the event that a settlement ultimately is not concluded. The Order Instituting Proceedings in this matter was issued on August 4, 2014, and an initial decision is not due until approximately June 1, 2015.

A stay pursuant to Rule 161(c)(2) is contingent on Respondent submitting a signed offer of settlement to Commission staff within fifteen (15) business days of the stay and on Commission staff submitting the settlement offer and its accompanying recommendation to the Commission within twenty (20) business days of receipt of the settlement offer. *See* Rules 161(c)(2)(A) and 161(c)(2)(B).

For the reasons set forth above, the parties respectfully request that the Law Judge issue an immediate stay of these proceedings.

Respectfully submitted this 23rd day of January, 2015.


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