

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

HEARTLAND ENERGY DEVELOPMENT CORP ) ADMINISTRATIVE ORDER  
JOHN SCHIFFNER ) NO. OV-2007-0036  
BRANDON DAVIS )  
CHARLES REED CAGLE )

RESPONDENTS

ORDER TO VACATE AS TO RESPONDENT  
CHARLES REED CAGLE ONLY

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. HEARTLAND ENERGY DEVELOPMENT CORPORATION ("HEDC") is a Delaware Corporation, having a business address of 9780 Mount Pyramid Court, Suite 200, Englewood, Colorado 80112.

2. JOHN SCHIFFNER ("SCHIFFNER"), at all times relevant, acted as the Senior Vice President of HEDC, with a business address of 9780 Mount Pyramid Court, Suite 200, Englewood, Colorado 80112.

3. BRANDON DAVIS ("DAVIS"), at all times relevant, acted as Chief Executive Officer of HEDC, with a business address of 9780 Mount Pyramid Court, Suite 200, Englewood, Colorado 80112.

4. CHARLES REED CAGLE ("CAGLE"), an individual not registered as a

securities agent in Alabama, is currently the owner of Heartland Energy, Inc, n/k/a, HEI Resources Inc ("HEI), with a business address of 2864 S Circle Drive Suite 312, Colorado Springs, Colorado 80906. CAGLE previously operated his business, HEI, at the current HEDC address at 9780 Mount Pyramid Court, Suite 200, Englewood, Colorado 80112.

#### STATEMENT OF FACTS

5. On December 17, 2007, Cease and Desist Order No. CD-2007-0036 was issued by the Commission, concerning the activities of Heartland Energy Development Corporation. Information developed by the Commission indicated a working relationship between the RESPONDENTS. Relying on this information, the Commission named CAGLE as a Respondent in the above referenced Cease and Desist Order.

6. In February 2008, DAVIS provided the Commission with a sworn affidavit indicating that he had previous employment associations with CAGLE, Heartland Energy Inc, n/k/a HEI Resources, Inc. HEI Resources, Inc. formerly had a business address of 9780 Mount Pyramid Court, Suite 200, Englewood, Colorado 80112, which is now the current location of HEDC. DAVIS stated that he departed from HEI and severed his working relationship with CAGLE in the summer of 2006.

7. By sworn affidavit in November 2008, CAGLE represented that he has never had ownership interest in HEDC, or any knowledge of the ownership or operations of HEDC, including but not limited to the information regarding the Starr County Kennard Joint Venture. CAGLE further claimed that he has never transacted business in the state of Alabama with respect to either HEDC or the Starr County Kennard Joint Venture.

Based upon good cause shown, the Cease and Desist Order, Administrative Order No CD-2007-0036 issued against CHARLES REED CAGLE on December 17, 2007, shall hereby be vacated.

The Cease and Desist Order remains in full force and effect as it pertains to all other RESPONDENTS named in Administrative Order No. CD-2007-0036, issued on December 17, 2007.

Entered at Montgomery, Alabama, this 17<sup>th</sup> day of April, 2009.



ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

JOSEPH P. BORG  
Director