STATE OF NORTH CAROLINA

Department of The Secretary of State

In The Matter Of:	)	
THE NORTH CAROLINA SECURITIES DIVISION,	)	
Petitioner,	)	
vs.	)	**FINAL ORDER**
WALTER RAY REINHARDT,	)	
	)	**FILE NO. 06-041-IG**
Respondent.	)	

WHEREAS, WALTER RAY REINHARDT is a natural person who resides at 2908 Ode Turner Road, Hillsborough, North Carolina, 27278 and maintains a business office at 14 Consultant Place, Suite 250, Durham, North Carolina, 27707; and

WHEREAS, the Secretary of State of the State of North Carolina (the "Secretary of State"), as Administrator of the North Carolina Securities Act (North Carolina General Statutes, Chapter 78A), the Securities Division of the Department of the Secretary of State (the "Securities Division"), and the Respondent have negotiated this Final Order; and

WHEREAS, the Respondent elects to permanently waive any right to judicial review or a hearing and appeal under Chapter 78A (the North Carolina Securities Act) or Chapter 150B of the North Carolina General Statutes (the Administrative Procedure Act) with respect to this Final Order;

NOW, THEREFORE, the Securities Administrator, acting through her duly appointed Deputy Securities Administrator, pursuant to and under all authority granted by the North Carolina Securities Act, and with the consent of the Respondent, does hereby enter

into this Final Order in settlement of the Administrative Petition and Temporary Order to Cease and Desist issued and entered on March 8, 2007 against the Respondent.

I.
JURISDICTION AND CONSENT

Respondent admits the jurisdiction of the Securities Division, stipulates to the Findings of Fact and Conclusions of Law contained in this Final Order, and consents to the entry of this Final Order by the Deputy Securities Administrator.

II.
FINDINGS OF FACT

The Securities Administrator, acting by and through her duly appointed Deputy Securities Administrator, makes the following findings of fact regarding a securities investigation into certain activities undertaken by the Respondents:

1. Respondent **WALTER RAY REINHARDT** (hereinafter "Reinhardt" or "Respondent") is a natural person who, upon information and belief, resides at 2908 Ode Turner Road, Hillsborough, North Carolina, 27278 and maintains a business office at 14 Consultant Place, Suite 250, Durham, North Carolina, 27707.

2. **JOSEPH C. FRANKLIN** (hereinafter "Franklin") is a natural person who holds himself out as Registered Agent and Managing Member of Savant Interest, L.L.C. and maintains a business office at 1102 Greenbriar Road, Lafayette, Louisiana, 70503-3654.

3. **SAVANT INTEREST, L.L.C.** (hereinafter "Savant") is a person organized as a limited liability company under the laws of the State of Louisiana allegedly formed for the purpose of drilling, development and management of oil and natural gas properties. Savant maintains a business office at 1102 Greenbriar Road, Lafayette, Louisiana, 70503-3654.

4. Respondent Walter Ray Reinhardt, Joseph C. Franklin and Savant Interest, L.L.C. are marketers and sellers of an oil and gas investment program called "REALCO Oil & Gas, Inc., S. Conrad Weil, Jr. et al, No. 1."

5. On November 20, 2005, the Respondent entered into a written employment agreement with Savant Interest, LLC whereby Savant Interest, LLC agreed to compensate

Walter Reinhardt by paying a total of 12.5% of "total funds raised" for all services to be provided to Savant by Reinhardt. The employment agreement was signed by Joseph C. Franklin for Savant Interest, L.L.C. and also by Walter Reinhardt.

6. Beginning November 29, 2005 and continuing through March 23, 2006, Respondent Walter Ray Reinhardt, Joseph C. Franklin and Savant Interest, L.L.C. offered and sold interests in "REALCO Oil & Gas, Inc., S. Conrad Weil, Jr. et al, No. 1" to North Carolina residents and investors.

7. Respondent raised approximately $559,500.00 from offering and selling the oil and gas investment program to approximately 36 investors in or from the State of North Carolina. Further, Savant Interest, L.L.C. paid approximately $68,687.00 to Respondent Walter Reinhardt pursuant to the written employment contract referenced in Paragraph 5, above.

8. Within the document entitled "Private Offering Memorandum" submitted to the Petitioner, the North Carolina Securities Division, on January 4, 2006, Savant Interest, L.L.C. states, in reference to Walter Reinhardt, that "Walt is Board Certified in Inceom [*sic*] Taxation with an established practice. He has prepared company partnership 1065s and K-1s for hundreds of individual investors. **He has raised over $6 million for oil and gas partnerships in fourteen programs in Kentucky, Texas and Oklahoma.**" (*emphasis added*)

9. The "Private Offering Memorandum," referenced above, states that, "Savant Interest, L.L.C., (hereafter referred to as "The Issuer"), a Louisiana corporation, is seeking $720,000 to finance the development of oil and gas drilling prospects in REALCO Oil & Gas Inc., S. Conrad Weil, Jr. et al, No.1. . . . Investors will receive Participation Units, with oil and gas revenue paid monthly."

10. The offer and sale of the oil and gas program, as described herein, constitutes the "offer" and "sale" of a "security," as those terms are defined pursuant to N.C.G.S. §§ 78A-2(8) and 78A-2(11).

11. By offering and selling the securities described herein to the public in North Carolina, Respondent was transacting business and acting as a "dealer" or "salesman" within the meaning of N.C.G.S. §§ 78A-2(2) and 78A-2(9).

12. Interests in the oil and gas program, as offered and sold to members of the public of North Carolina by Respondent, were not registered with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act prior to being offered and sold in North Carolina, as required by N.C.G.S §78A-24.

13. At all relevant times complained of herein, Respondent was not registered as a dealer or salesman of securities, as required by N.C.G.S §78A-36.

14. It is in the public interest of the citizens of North Carolina and for the protection of investors that Respondent be prohibited from violating the provisions of the Securities Act in

connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, and transacting business as a dealer and/or salesman.

III.
CONCLUSIONS OF LAW

1. The Securities Administrator has jurisdiction over the subject matter of this proceeding and over the person of the Respondent.

2. The North Carolina Securities Division finds the Respondent has engaged in conduct in willful violation of the North Carolina Securities Act, specifically N.C.G.S. §§78A-24 and 78A-36(a).

3. The Securities Administrator finds that the entry of this Final Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the North Carolina Securities Act.

IV.
ORDER

NOW, THEREFORE, with the consent and agreement of the Respondent, it is **HEREBY ORDERED AND AGREED** that Respondent **WALTER RAY REINHARDT** shall immediately and permanently cease and desist from:

a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, the securities of any issuer, howsoever denominated, in violation of N.C.G.S. §78A-24 of the North Carolina Securities Act; and

b. transacting business in this State as a dealer or salesman in violation of N.C.G.S. §78A-36(a) of the North Carolina Securities Act.

Respondent, by execution of this Final Order, waives any right to a hearing or judicial review thereof. Said Respondent affirmatively states that he has freely agreed to the signing of this Final Order, and that no threats, promises or offers of any kind, other than as stated in this document, have been made by the Securities Administrator, Deputy Securities

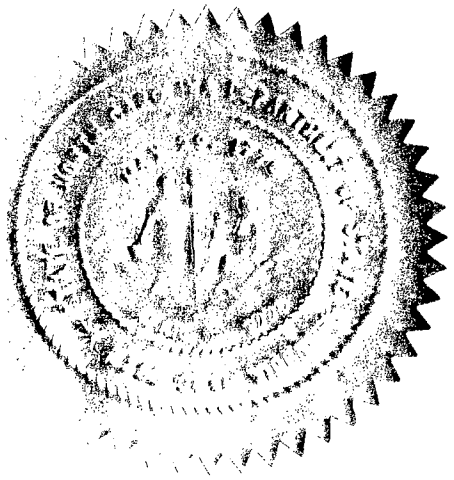
Administrator, any member of the staff of the Securities Division, or any agent or employee of the Department of the Secretary of State in connection with the signing of this Final Order.

This Final Order shall become final upon entry.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the

Secretary of State, this the 26th day of July 2007.

Time of entry: 1:36 P.M.



ELAINE F. MARSHALL
SECRETARY OF STATE OF NORTH CAROLINA and
SECURITIES ADMINISTRATOR, by

DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR

CONSENT TO ENTRY OF ORDER BY WALTER RAY REINHARDT

1. **WALTER RAY REINHARDT** hereby acknowledges that he has been served with a copy of this Order, has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, and has waived this right.

2. **WALTER RAY REINHARDT** admits the jurisdiction of the Securities Division, stipulates to the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Secretary of State.

3. **WALTER RAY REINHARDT** states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Order and that he has entered into this Order voluntarily.

4. **WALTER RAY REINHARDT** understands that the State of North Carolina may make such public announcement concerning this agreement and the subject matter thereof as the State of North Carolina may deem appropriate.

Dated this 19th day of July, 2007.

By: Walter Ray Reinhardt
WALTER RAY REINHARDT

SUBSCRIBED AND SWORN TO before me this 19th day of July, 2007.

Sharon L. Smith
Notary Public

My Commission expires: 3-27-2008

SHARON L. SMITH
NOTARY PUBLIC
WAKE COUNTY, N.C.
My Commission Expires 3-27-2008