

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
Corporations Counsel
4 DEPARTMENT OF CORPORATIONS
1350 Front Street, Room 2034
5 San Diego, California 92101
Telephone: (619) 645-3166
6

7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11 In the Matter of the Desist and Refrain Order)
12 Issued To:)
13)
14 Progressive Energy Partners, L.L.C., Progressive)
Energy Partners, L.L.C. #1, Progressive Energy)
Partners, L.L.C. #2, Progressive Energy Partners,)
15 L.L.C. #3, Progressive Energy Partners, L.L.C.)
#4, Carol Dee Aubrey and Jerry Aubrey,)
16)

STIPULATION TO DESIST AND REFRAIN ORDER

17 Respondents.)
18)
19)
20)

21 IT IS HEREBY STIPULATED AND AGREED between Progressive Energy Partners,
22 L.L.C., Progressive Energy Partners, L.L.C. #1, Progressive Energy Partners, L.L.C. #2, Progressive
23 Energy Partners, L.L.C. #3, Progressive Energy Partners, L.L.C. #4, Carol Dee Aubrey and Jerry
24 Aubrey (hereafter "Respondents") and Preston DuFauchard, California Corporations Commissioner
25 ("Commissioner"), as follows:

26 WHEREAS, Respondents admit the jurisdiction of the California Department of
27 Corporations over their persons and over the subject matter of this Stipulation.
28

1 WHEREAS, Respondents waive their rights to any reconsideration, appeal, or any other
2 rights which may be afforded pursuant to California Corporations Code sections 25532 and 25609,
3 or any other provision of law in connection with these matters, including but not limited to
4 Government Code sections 11521 and 11523, and any writ proceeding in accordance with the Code
5 of Civil Procedure.

6 WHEREAS, all terms used, but not defined herein, shall have the meaning assigned to them
7 by the California Corporations Code.

8 WHEREAS, Respondents represent that no promises of any kind or nature whatsoever were
9 made to induce Respondents to enter into this Stipulation, and that this Stipulation is a voluntary act
10 on the part of Respondents.

11 WHEREAS, Respondents represent, warrant, and agree that they have received or been
12 advised to seek independent legal advice from their attorneys with respect to the advisability of
13 executing this Stipulation.

14 WHEREAS, Respondents stipulate to the issuance of the Desist and Refrain Order (“Order”),
15 in the form attached hereto as Exhibit A, directing Respondents to desist and refrain from the further
16 offer and sale of securities in the State of California, unless and until qualification has been made
17 under said law or unless exempt.

18 WHEREAS, Respondents hereby agree and stipulate to the Order.

19 WHEREAS, Respondents hereby understand and agree not to represent that this Stipulation
20 is a settlement or a withdrawal of the Order.

21 WHEREAS, Respondents agree and acknowledge that nothing in this Stipulation shall
22 preclude the Commissioner, his agents, officers, or employees, to the extent authorized by law, from
23 referring any evidence or information regarding this matter to any other state or federal law
24 enforcement official, or from assisting, cooperating, or co-prosecuting with regards to any
25 investigation and/or action.

26 WHEREFORE, Respondents Progressive Energy Partners, L.L.C., Progressive Energy
27 Partners, L.L.C. #1, Progressive Energy Partners, L.L.C. #2, Progressive Energy Partners, L.L.C. #3,
28 Progressive Energy Partners, L.L.C. #4, Carol Dee Aubrey and Jerry Aubrey stipulate and agree to

1 the finality of the Commissioner's Order. Respondents further understand and agree that the Order
2 remains in effect, is public and that Respondents cannot deny the violations cited in the
3 Commissioner's Order or make any statement or representation that is inconsistent with this
4 Stipulation or the Order. Respondents further understand and agree this Stipulation does not prevent
5 the Commissioner from taking future action in regard to this matter.

6
7 PRESTON DuFAUCHARD,
8 California Corporations Commissioner

9 Dated: 10/29/09

10 By _____
11 Alan S. Weinger
12 Deputy Commissioner

13 Dated: 10/29/09

14 By _____
15 Carol Dee Aubrey, individually and on behalf of
16 Progressive Energy Partners, L.L.C., Progressive Energy
17 Partners, L.L.C. #1, Progressive Energy
18 Partners, L.L.C. #2, Progressive Energy Partners,
19 L.L.C. #3, and Progressive Energy Partners, L.L.C. #4

20 Dated: 10/29/09

21 By _____
22 Jerry Aubrey, individually and on behalf of
23 Progressive Energy Partners, L.L.C., Progressive
24 Energy Partners, L.L.C. #1, Progressive Energy
25 Partners, L.L.C. #2, Progressive Energy Partners,
26 L.L.C. #3, and Progressive Energy Partners, L.L.C. #4

27 Approved as to Form

28 Dated: 10/29/09

By _____
Thomas E. Stepp, Jr., Esq.
Attorney for Jerry Aubrey, Carol Dee Aubrey,
Progressive Energy Partners, L.L.C., Progressive
Energy Partners, L.L.C. #1, Progressive Energy
Partners, L.L.C. #2, Progressive Energy Partners,
L.L.C. #3, and Progressive Energy Partners, L.L.C. #4

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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Progressive Energy Partners, L.L.C.
Progressive Energy Partners, L.L.C. #1
Progressive Energy Partners, L.L.C. #2
Progressive Energy Partners, L.L.C. #3
Progressive Energy Partners, L.L.C. #4
Jerry Aubrey
Carol Dee Aubrey

2060 Placentia Avenue, Suite A5
Costa Mesa, CA 92627

<http://www.pepllc.net/>

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Progressive Energy Partners, L.L.C., Progressive Energy Partners, L.L.C. #1, Progressive Energy Partners, L.L.C. #2, Progressive Energy Partners, L.L.C. #3, and Progressive Energy Partners, L.L.C. #4 (collectively, "PEP") are, and were at all relevant times herein, Nevada limited liability companies doing business at 2060 Placentia Avenue, Suite A5, Costa Mesa, California 92627. PEP also maintains a website at <http://www.pepllc.net/>.
2. Jerry Aubrey is, and was at all relevant times herein, the manager and an officer of PEP.
3. Carol Dee Aubrey is, and was at all relevant times herein, the president of PEP.
4. Beginning at least as early as 2005, Jerry Aubrey, Carol Dee Aubrey, and PEP offered and sold securities in the form of Units of interest in PEP ("Units in PEP").
5. The purported purpose of the offerings is to develop oil and gas wells at to be determined locations.
6. The Units in PEP are securities pursuant to California Corporations Code section 25019.
7. These securities were offered in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer these securities in this state.

1 8. In connection with the offer and sale of these securities, PEP, Jerry Aubrey and Carol Dee
2 Aubrey omitted to disclose that:

- 3 a. On March 19, 1999, the Securities and Exchange Commission obtained a judgment
4 against Jerry L. Aubrey for acting as a broker in the sale of stocks and failing to register
5 with the Securities and Exchange Commission as a broker as required by federal law.
6 b. On April 16, 2003, the Texas State Securities Board issued a Cease and Desist Order
7 against Carol Aubrey and Jerry L. Aubrey to cease and desist from offering unregistered
8 securities in Texas.
9 c. On January 12, 2007, the State of South Dakota Department of Revenue and Regulation
10 Division of Securities issued a Cease and Desist Order against Progressive Energy
11 Partners, LLC., Progressive Energy Partners, LLC. #2, and all the officers, directors,
12 brokers, agents and employees to cease and desist from offering unregistered securities in
13 South Dakota.
14 d. On April 15, 2008, the Commonwealth of Pennsylvania issued a Cease and Desist Order
15 against Progressive Energy Partners, LLC., Progressive Energy Partners, LLC. #4, and
16 every successor, affiliate, control person, agent, servant and employee to cease and desist
17 from offering and selling "Units" in the Commonwealth of Pennsylvania.

18 Based upon the foregoing findings, the California Corporations Commissioner is of the
19 opinion that the Units in PEP are securities subject to qualification under the California Corporate
20 Securities Law of 1968 and are being or were offered and sold without being qualified in violation of
21 Corporations Code section 25110.

22 Pursuant to Section 25532 of the California Corporations Code, Progressive Energy Partners,
23 L.L.C., Progressive Energy Partners, L.L.C. #1, Progressive Energy Partners, L.L.C. #2, Progressive
24 Energy Partners, L.L.C. #3, Progressive Energy Partners, L.L.C. #4, Carol Dee Aubrey and Jerry
25 Aubrey are hereby ordered to desist and refrain from the offer and sale of securities in the State of
26 California, including but not limited to Units in PEP, unless and until qualification has been made
27 under said law or unless exempt.
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1 Further, based upon the foregoing, the California Corporations Commissioner is of the
2 opinion that the Units in PEP were offered and sold in this state by means of oral and written
3 communications which omitted to state material facts necessary in order to make the statements
4 made, in the light of the circumstances under which they were made, not misleading, in violation of
5 section 25401 of the Corporate Securities Law of 1968.

6 Pursuant to section 25532 of the Corporate Securities Law of 1968, Progressive Energy
7 Partners, L.L.C., Progressive Energy Partners, L.L.C. #1, Progressive Energy Partners, L.L.C. #2,
8 Progressive Energy Partners, L.L.C. #3, Progressive Energy Partners, L.L.C. #4, Carol Dee Aubrey
9 and Jerry Aubrey are hereby ordered to desist and refrain from offering or selling or buying or
10 offering to buy any securities in the State of California, including but not limited to Units in PEP, by
11 means of any written or oral communication which omits to state a material fact necessary in order to
12 make the statements made, in the light of the circumstances under which they were made, not
13 misleading.

14 This Order is necessary, in the public interest, for the protection of investors and consistent
15 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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17 Dated: October 29, 2009
18 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

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20 By _____
21 ALAN S. WEINGER
22 Deputy Commissioner
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