

1 PRESTON DuFAUCHARD
 California Corporations Commissioner
 2 WAYNE STRUMPFER
 Deputy Commissioner
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 Corporations Counsel
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 Sacramento, California 95814
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 Attorneys for Complainant
 7 California Corporations Commissioner

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 10 BEFORE THE DEPARTMENT OF CORPORATIONS
 11 OF THE STATE OF CALIFORNIA

12	In the Matter of the)	OAH No. L-2008010136
13	DESIST AND REFRAIN ORDER)	AGENCY CASE No. 7940
14	Issued To:)	
15	Stuart G. Hagler, David J. May, Wilbur A.)	RESPONDENTS' STIPULATION TO ORDER
16	Westmoreland, TransCoastal Partners, LLC,)	TO DESIST AND REFRAIN FROM
17	Couba Du Large Joint Venture,)	OFFERING OR SELLING SECURITIES
18	Respondents.)	Date: May 13-16, 2008
19)	Time: 9:00 a.m.
20)	Place: 2349 Gateway Oaks Drive, Ste. 200
21)	Sacramento, CA 95833

22 IT IS HEREBY STIPULATED BY AND BETWEEN THE RESPONDENTS STUART G.
 23 HAGLER, DAVID J. MAY, WILBUR A. WESTMORELAND, TRANSCOASTAL PARTNERS,
 24 LLC, COUBA DU LARGE JOINT VENTURE ("RESPONDENTS") AND PRESTON
 25 DuFAUCHARD, COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA
 26 ("COMMISSIONER"), AS FOLLOWS:

27 WHEREAS, on November 29, 2007, the COMMISSIONER issued a Desist and Refrain
 28 Order ("D&R Order") for violations of Corporations Code section 25110 against RESPONDENTS,

1 who, on December 20, 2007 filed a civil action against the enforcement of such D&R Order in the
2 United States District Court for the Eastern District, Sacramento Division, case number 2:07-CV-
3 2737-MCE-KJM.

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5 WHEREAS, RESPONDENTS also timely requested an administrative hearing on the D&R
6 Order, as permitted by law, and hereby acknowledge and agree that the COMMISSIONER is ready,
7 willing and able to grant a hearing in relation to the Order, that said Respondents have a right to such
8 a hearing to challenge the D&R Order, and that Respondents hereby voluntarily waive their rights to
9 such a hearing and to any reconsideration, appeal, or other rights which may be afforded pursuant to
10 Corporations Code sections 25532 and 25609 of the Corporate Securities Law of 1968, or any other
11 provision of law in connection with these matters, including but not limited to Government Code
12 sections 11521 and 11523 and any writ proceeding in accordance with the Code of Civil Procedure.

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14 WHEREAS, RESPONDENTS without admitting or denying any of the opinions or findings
15 contained within the D&R Order, agree and stipulate to the D&R Order which is attached hereto as
16 Exhibit "A".

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18 WHEREAS, RESPONDENTS represent that they are in compliance with the D&R Order.
19 The COMMISSIONER has not verified whether RESPONDENTS are in fact in compliance with the
20 D&R Order as represented by RESPONDENTS.

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22 WHEREAS, the language in the D&R Order and this Stipulation ordering Respondents to
23 "desist and refrain from the further offer or sale of securities in the State of California" is not
24 intended by the COMMISSIONER to subject any Respondent to any disqualifications from relying
25 upon state or federal registration exemptions or safe harbor provisions under the laws of the United
26 States, any state, the District of Columbia or Puerto Rico.

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1 WHEREFORE, RESPONDENTS stipulate and agree to the finality of the D&R Order.
2 RESPONDENTS understand and agree not to represent that this Stipulation is a settlement or a
3 withdrawal of the D&R Order. RESPONDENTS further understand and agree that the D&R Order
4 remains in full effect and that they cannot make any statement or representation that is inconsistent
5 with this Stipulation or the D&R Order. RESPONDENTS further understand and agree that if any
6 RESPONDENT violates the D&R Order or this Stipulation, the Department of Corporations is not
7 prevented from taking future action and this Stipulation is null and void.

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9 WHEREFORE, RESPONDENTS stipulate and agree to withdraw, with the Department of
10 Corporations, their Request for Hearing in the administrative proceeding, OAH No. L-2008010136
11 before the Sacramento Office of the Office of Administrative Hearings ("OAH"), and to file a motion
12 to dismiss their civil action, case number 2:07-CV-2737-MCE-KJM before United States District
13 Court, Eastern District of California, Sacramento Division, with prejudice by April 17, 2008.

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15 WHEREFORE, RESPONDENTS further agree to pay twenty-five thousand dollars (\$25,000)
16 toward the Department of Corporation's attorney's fees and other related costs incurred in both the

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1 administrative and civil actions to be paid by cashier's check and delivered to the Department of
2 Corporations on April 17, 2008.

3 Dated: 4/18/08

PRESTON DuFAUCHARD
California Corporations Commissioner

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6 By: [Signature]
7 Alan S. Weinger
Lead Corporations Counsel

8 Dated: 4-16-08 By: [Signature]
9 Stuart G. Hagler
an individual

10 Dated: 4-16-08 By: [Signature]
11 David J. May
an individual

12 Dated: 4-16-08 By: [Signature]
13 Wilbur A. Westmoreland
an individual

14 Dated: 4-16-08 By: [Signature]
15 signature

16 print name Managing Member
17 on behalf of TransCoastal Partners, LLC

18 Dated: 4-16-08 By: [Signature]
19 signature

20 print name on behalf of Couba Du Large Joint Venture
21 by: TransCoastal Partners, LLC, Managing
22 by Andy Westmoreland, Managing
23 Member

24 Dated: 4-16-08 By: [Signature]
25 Joel Heid
26 Approved as to Form
27 Attorney for Respondents

RESPONDENTS' STIPULATION TO ORDER TO DESIST AND REFRAIN FROM OFFERING OR
SELLING SECURITIES

EXHIBIT
"A"

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

TO: Stuart G. Hagler, Manager
David J. May, Manager
Wilbur A. Westmoreland, also known as W.A. Westmoreland, also known as Andy
Westmoreland, Manager
Chad M. McDonald, Vice President
TransCoastal Partners, LLC
Couba Du Large Joint Venture
17304 Preston Road, Suite 970
Dallas, Texas 75252

DESIST AND REFRAIN ORDER
(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Stuart G. Hagler (hereinafter "Hagler"), was a Manager and Member of TransCoastal Partners, LLC (hereinafter "TransCoastal Partners"), a limited liability company formed in Texas on June 24, 2003 with a business and registered address of 17304 Preston Road, Suite 970, Dallas, Texas and with a website located on the Internet at www.transcoastal.net. TransCoastal Corporation also operates from this website and physical address, and is described to investors as an affiliate of TransCoastal Partners which has sponsored past joint ventures.
2. At all relevant times, David J. May (hereinafter "May") and Wilbur A. Westmoreland (hereinafter "Westmoreland"), also known as W.A. Westmoreland and Andy Westmoreland, were

1 each a Manager and Member of TransCoastal Partners, along with Chad M. McDonald (hereinafter
2 "McDonald") who was Vice President TransCoastal Partners.

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4 3. At all relevant times, TransCoastal Partners was Managing Venturer of a venture known as
5 Couba Du Large Joint Venture (hereinafter "Couba Du Large"), which was to be formed under Texas
6 partnership law.

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8 4. Beginning in or about December, 2006, Hagler, May, Westmoreland, McDonald,
9 TransCoastal Partners, and Couba Du Large offered or sold securities in the form of investment
10 contracts in units of Couba Du Large.

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12 5. Through cold-calling and other means of general solicitation, Hagler, May, Westmoreland,
13 McDonald, TransCoastal Partners, and Couba Du Large offered or sold eight Units of Joint Venture
14 Interests at \$86,000 per unit to raise \$688,000, excluding an additional \$18,000 per Unit Completion
15 Assessment.

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17 6. The purported purpose of the offering was to raise funds to drill, complete, and operate an oil
18 and gas well referred to as the Prospect Well located in St. Charles Parish, Louisiana, to operate and
19 to produce from a gas well referred to as the Florentine Well located in Terrebonne Parish, Louisiana,
20 and to acquire interests in both wells.

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22 5. These securities were offered or sold in this state in issuer transactions. The Department of
23 Corporations has not issued a permit or other form of qualification authorizing any person to offer
24 and sell these securities in this state.

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26 Based upon the foregoing findings, the California Corporations Commissioner is of the
27 opinion that the units of Couba Du Large Joint Venture are securities subject to qualification under
28 the California Corporate Securities Law of 1968 and are being or have been offered or sold without

