

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 **TO: Addison Brown LLC**
5 **Justin A. Brown**
6 **Jon Garls**
7 **Paradise Valley Prospect Wells Joint Venture**
8 **Ingram 1&2 Payne County Wells Joint Venture**
9 1700 Pacific Avenue, Suite 4690
10 Dallas, Texas 75201
11 and
12 5040 Addison Circle, #5754
13 Addison, TX 75001-6684

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

16 The California Corporations Commissioner finds that:

17 1. At all relevant times, Addison Brown LLC (herein "Addison") is or was a corporation with its
18 principal place of business located at 1700 Pacific Avenue, Suite 4690, Dallas, Texas and doing
19 business in California, Oklahoma, and Texas. Addison did or does operate oil and gas wells, as well
20 as oil and gas drilling operations on various properties located in the state of Texas and Oklahoma.

21 2. In or about 2007, Addison participated in at least two drilling joint ventures as the promoter
22 and operator of oil and gas wells known as the "Paradise Valley Prospect Wells Joint Venture",
23 (herein "Paradise Valley Venture") and "Ingram 1&2 Payne County Wells Joint Venture" (herein
24 "Payne Venture"). The Paradise Valley Venture was or is a project that involved drilling at least one
25 (1) producing oil and gas well purportedly located in Oklahoma County, Oklahoma at the reservoir
26 known as "Misener, Skinner, Redfork". The Payne Venture was or is a project that involved drilling
27 of at least two (2) producing oil and gas wells purportedly located on the field known as "Yale-Quay"
28 at the reservoir known as "Red Fork" in Payne County, Oklahoma.

3. At all relevant times, Jon Garls (herein "Garls") and Justin A. Brown (herein "Brown") are
representatives of Addison. Specifically, Brown is or was the chairman and chief executive officer of
Addison. Garls is or was the vice president and sales agent of Addison.

1 4. Beginning in at least or about 2007, Addison, Garls and Brown offered and sold securities in
2 the form of investment contracts in the Paradise Valley Venture and Payne Venture joint ventures.

3 5. The purported purpose of the offerings was to fund the maintenance, drilling and production
4 of the Paradise Valley Venture and the Payne Venture. In return, investors would receive monthly
5 income payments, based on their investment interest, from the purported profits of the Paradise
6 Valley Venture and Payne Venture.

7 6. Beginning in at least or about 2007, Addison, Garls and Brown offered and sold the above
8 described investment contracts in the State of California to investors by way of making general
9 solicitations through telemarketing or making “cold calls” in California.

10 7. These investment contracts were offered or sold in California in issuer transactions. The
11 Department of Corporations has not issued a permit or other form of qualification authorizing any
12 person to offer and sell these investment contracts in California.

13 Based on the foregoing findings, the California Corporations Commissioner finds that the
14 investment contracts in the Paradise Valley Venture and the Payne Venture offered and sold by Jon
15 Garls, Addison Brown LLC, and Justin A. Brown are securities subject to qualification under the
16 California Corporations Code. These securities are or have been offered and sold without being
17 qualified or exempt, in violation of Section 25110 of the California Corporations Code.

18 Pursuant to Section 25532 of the California Corporations Code, Addison Brown LLC, Justin
19 A. Brown, Jon Garls, Paradise Valley Prospect Wells Joint Venture and Ingram 1&2 Payne County
20 Wells Joint Venture are hereby ordered to desist and refrain from the further offer or sale in the State
21 of California of securities, including, but not limited to investment contracts in the form of joint
22 venture interests, unless and until qualification has been made under said law or unless exempt.

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1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the California Corporations Code.

3 Dated: March 11, 2008
4 Sacramento, California

PRESTON DUFAUCHARD
California Corporations Commissioner

7 By _____
8 ALAN S. WEINGER
9 Lead Corporations Counsel
10 Enforcement Division

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