

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

WESTERN PIPELINE CORPORATION
ROBERT E. JENT
CHRIS JENT
MICKEY HORN
JENNIFER WORTHY
JOHN ARTHUR APPLE JR
CLIFF STAHL
RANDAL FLOWERS

) ADMINISTRATIVE ORDER
NO. CD-2008-22A

RESPONDENTS

AMENDED CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), under its authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, previously issued CD-2008-22, dated July 16, 2008, naming Western Pipeline Corporation, Robert E. Jent, Chris Jent, Mickey Horn and Jennifer Worthy as respondents. Cease and Desist Order 2008-0022 is hereby amended [CD-2008-0022A] to add three additional respondents [John Arthur Apple, Jr., Cliff Stahl and Randal Flowers] and certain statements of fact as follows:

RESPONDENTS

1. WESTERN PIPELINE CORPORATION (WESTERN) is a Delaware corporation with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

2. ROBERT E. JENT (R. JENT), at all times relevant, acted as the President and Chief Executive Officer of WESTERN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

3. CHRIS JENT (C. JENT), at all times relevant, acted as the Senior Vice President and Chief Investment Officer of WESTERN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

4. MICKEY HORN (HORN), at all times relevant, acted as the Executive Vice President of WESTERN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428. HORN was previously registered in Alabama as a broker-dealer agent with Texas Securities Partners, Inc. from February 23, 2005 through April 6, 2005.

5. JENNIFER WORTHY (WORTHY), at all times relevant, acted as the Executive Administrative Assistant to HORN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

6. JOHN ARTHUR APPLE JR (APPLE), at all times relevant, is the founder and majority stockholder in WESTERN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

7. CLIFF STAHL (STAHL), at all times relevant, acted as the Senior Vice President of WESTERN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

8. RANDALL FLOWERS (FLOWERS), at all times relevant, acted as the Vice President of Investor Relations of WESTERN with a principal business address of 222 Las Colinas Blvd West, Suite 1049, Irving, Texas 75039-5428.

STATEMENT OF FACTS

9. The Commission received information that in June 2007, C. JENT, representing WESTERN, called an Alabama resident, with whom neither C JENT nor any other RESPONDENT had a previous business relationship, to offer an investment in a multi-well natural gas development drilling project called WPC #2006-2 Thirty Well Development Joint Venture (Joint Venture). In June 2007, after several subsequent calls by C. JENT to the Alabama resident, WESTERN and C. JENT offered and sold 0.5 units of interest in the Joint Venture to the Alabama resident for the sum of \$89,825.00. The Application Agreement, contained in the execution documents to the Confidential Private Placement Memorandum (PPM), states that WESTERN is the "Managing Joint Venturer." The PPM identified R. JENT as the President and Chief Executive Officer of WESTERN.

10. In July, August and September 2007, the Alabama resident received documents from WORTHY and HORN giving status reports on the Joint Venture. These documents caused the Alabama resident to believe that the Joint Venture was proceeding in the manner represented to him by C. JENT and the offering documents.

11. The PPM describes the investment offered to the Alabama resident as the participation in units of interest in a joint venture to be formed under Texas partnership law to engage primarily in the business of participation in the drilling of ten new wells and the workover of twenty oil and/or gas wells. The investment objectives are stated to be: (1) acquire an interest in the Prospect Wells; (2) participate in operations thereon if appropriate; (3) provide cash distributions to the Venturers and (4) in its initial year(s) of operation provide current tax benefits to Venturers to offset income from any source.

12. The PPM identifies the "Managing Venturer" of the offering as WESTERN. It also identifies the management of WESTERN as the following: R. JENT as the President and Chief Executive Officer, C. JENT as the Co-Owner, Senior Vice President and Chief Investment Officer, HORN as the Executive Vice President and Chief Operating Officer/Investment Division, STAHL as the Senior Vice President and FLOWERS as Vice President of Investor Relations.

13. On August 19, 2008, the Commission received information from an attorney representing R. JENT that APPLE is the majority shareholder of WESTERN.

14. The PPM failed to disclose that in 1981, while employed by Crown Petroleum, APPLE sold a unit of ownership in two oil and gas placements to an investor in the state of Virginia. The general partner, Crown Petroleum, did not have a valid exemption in Virginia for such sales. The Virginia securities authorities called for a hearing in the matter. The hearing resulted in a judgment of compromise and settlement in which APPLE was permanently enjoined from transacting business in Virginia as an agent unless he was registered to do so or unless the transaction was exempted under Virginia code.

15. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on May 5, 2008 disclosing no record of registration or any perfected exemption for the security, to wit: units of interest in WPC #2006-2 Thirty Well Development Joint Venture.

16. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on April 24, 2008, May 7, 2008, May 14, 2008, August 29, 2008 and November 21, 2008 disclosing no record of registration for R. JENT, C. JENT, HORN, WORTHY, APPLE, STAHL or FLOWERS as a broker dealer, agent, investment advisor, or investment advisor representative in the state of Alabama.

17. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on April 24, 2008 disclosing no record of registration for WESTERN as a broker dealer in the state of Alabama.

CONCLUSIONS OF LAW

18. The units of interest in WPC #2006-2 Thirty Well Development Joint Venture offered and sold by WESTERN, R. JENT, C. JENT, HORN, WORTHY, APPLE, STAHL and FLOWERS constitute certificates of interest or participation in an oil, gas or mining title lease or in payments out of production under such title or lease. Alabama's statutory definition of security at Section 8-6-2(10), Code of Alabama 1975, includes any certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such title or lease. The investment offered and/or sold by WESTERN, R. JENT, C. JENT, HORN, WORTHY, APPLE, STAHL and FLOWERS as units of interest in WPC #2006-2 Thirty Well Development Joint Venture is a security under Alabama law.

19. Section 8-6-2(2), Code of Alabama 1975, defines an agent as any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. R. JENT, C. JENT, HORN, and WORTHY, acted as agents under the Act.

20. R. JENT, C. JENT, HORN, and WORTHY, were not registered as broker dealers, agents in the state of Alabama. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as a dealer or agent for securities unless such person is registered under the Act. R. JENT, C. JENT, HORN and WORTHY unlawfully effected transactions in securities while not registered under the Act.

21. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for any dealer or issuer to employ an agent unless the agent is registered. WESTERN, R. JENT, C. JENT, HORN, APPLE, STAHL and FLOWERS unlawfully employed agents who were not registered under the Act.

22. WESTERN was not registered as a broker dealer in the state of Alabama. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as a dealer or agent for securities unless such person is registered under the Act. WESTERN unlawfully acted in the capacity of a broker dealer while not registered under the Act.

23. The securities offered and sold by WESTERN, R. JENT, C. JENT, HORN, WORTHY, APPLE, STAHL and FLOWERS to wit: units of interest in WPC #2006-2 Thirty Well Development Joint Venture were not registered in the state of Alabama. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10 or the transaction is exempt under section 8-6-11. WESTERN, R. JENT, C. JENT, HORN, WORTHY, APPLE, STAHL and FLOWERS unlawfully offered and sold securities of WESTERN which were neither registered nor subject to any perfected exemption.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama

Entered at Montgomery, AL, this 4th day of February, 2009.

ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
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(334) 242-2984

BY:

JOSEPH P. BORG
Director