

1. **OKLAHOMA FORCE POOL JOINT VENTURE #3 (“OFPJV”)** is a Colorado joint venture with a former principal business address of 6455 North Union Boulevard, Suite 200, Colorado Springs, Colorado 80918; and a current principal business address of 17120 Dallas Pwky, Suite 235 Dallas TX 75248.
2. **BLUEPAC MANAGEMENT LLC (“BLUEPAC”)** was a Colorado corporation with a former principal business addresses of 6455 North Union Boulevard, Suite 200, Colorado Springs, Colorado 80918 and 17120 Dallas Pkwy, Suite 235, Dallas TX 75248. In November 2011, **BLUEPAC** dissolved as a Colorado limited liability company (“CO LLC”) and reformed as a Texas limited liability company (“TX LLC”). It is the

purpose of the TX LLC to continue the business and operations of the dissolved CO LLC. **BLUEPAC** is the Managing Venturer of **OFPJV**.

3. **STANLEY ROSE ("ROSE")** during all times relevant was represented in **BLUEPAC** documents to be and currently is CEO and President of **BLUEPAC** with a former principal business addresses of 6455 North Union Boulevard, Suite 200, Colorado Springs, Colorado 80918 and 17120 Dallas Pkwy, Suite 235, Dallas TX 75248.

4. **JEFF QUIANE ("QUIANE")** during all times relevant was represented in **BLUEPAC** documents to be and formerly was Associate Vice President of **BLUEPAC** whose then principal business address was 6455 North Union Boulevard, Suite 200, Colorado Springs, Colorado 80918. **QUIANE** is no longer associated with **BLUEPAC**.

STATEMENT OF FACTS

5. The Commission received information that in or about January 2009, **QUIANE**, representing **BLUEPAC**, cold called an Alabama resident, with whom neither **QUIANE** nor any other **RESPONDENT** had a previous business relationship, to offer an investment in a joint venture called Oklahoma Force Pool JV #3 (**OFPJV**). **QUIANE** also sent a letter, dated January 13, 2009 with a Confidential Information Memorandum ("CIM") and subscription documents to the Alabama resident. The letter identifies **QUIANE** as Associate Vice President of **BLUEPAC**. The letter states, "*I am excited to be able to put this project in front of you. Per our conversation, I will only require ten to fifteen minutes of your time to step you through the highlights of this package and show you how you can benefit from our drilling program.*" The offering documents included a CIM, a joint venture agreement, an application agreement and a confidential questionnaire.

6. The CIM identified **OFPJV** as a "Colorado Joint Venture". The total offering was \$1,600,000, which involved 16 Units of Joint Venture Interest at \$100,000 per Unit. The minimum participation was ½ Unit at \$50,000, which included a "completion

assessment” of \$12,500.

7. The CIM stated, in part, “The purposes for which the Joint Venture is organized are: (a) to acquire all or part of the working interest in those certain oil/gas prospects more fully described in the Memorandum and relating to this Joint Venture...”

8. The CIM identified **BLUEPAC** as the Managing Venturer of the joint venture identified as **OFPJV**.

9. The CIM identified **ROSE** as the majority shareholder, CEO and President of **BLUEPAC**.

10. On January 10, 2010, a review of the Commission’s registration files disclosed neither record of registration nor any perfected exemption from registration for the **OFPJV** Units of Joint Venture Interest in the State of Alabama.

11. On January 10, 2010, a review of the Commission’s registration files disclosed no record of registration for the **RESPONDENTS** as a Dealer or Agent for securities in the State of Alabama.

12. On February 8, 2010, a search of the United States Securities and Exchange Commission, EDGAR database website, ascertained that no Form D filing had been made by **OFPJV** or **BLUEPAC** for the Units of Joint Venture Interest.

13. On February 9, 2010, the Oklahoma Corporations Commission, Oil and Gas Complaints and Information Section, reported no listing for **BLUEPAC** or **ROSE** in their oil and gas operator and purchaser database.

14. On September 21, 2010, an informal meeting was held between the Commission staff and the attorney representing, **OFPJV**, **BLUEPAC**, and **ROSE**. During this meeting, additional information was provided relating to offers of these joint venture interests in **OFPJV** to Alabama residents. This information included a list of

Alabama residents, in which offers for sale of the units of joint venture interest in **OFPJV** were made, during the time period of January 2008 and July 2009. Also during this meeting, the Commission staff requested supplemental information regarding the wells and operations of **BLUEPAC** and **OFPJV**, which was later communicated in correspondence to the **RESPONDENTS'** attorney on September 23, 2010.

15. On October 27, 2010, the **RESPONDENTS BLUEPAC** and **ROSE**, by and through their legal counsel, represented to the Commission staff that there were no sales of the units of joint venture interest in **OFPJV** made to Alabama residents, only that multiple offers were made.

16. The joint venture, **OFPJV**, consists of the managing joint venturer, **BLUEPAC**, and the individual joint venture participants. As represented to Commission staff by **RESPONDENTS OFPJV**, **BLUEPAC**, and **ROSE**, it was employees or representatives of **BLUEPAC**, and not the individual joint venture participants that engaged in the offer of unregistered securities to Alabama residents.

CONCLUSIONS OF LAW

17. Pursuant to Section 8-6-2(10), Code of Alabama, 1975, Alabama's statutory definition of a security 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 Units of Joint Venture Interest in **OFPJV** offered by **RESPONDENTS BLUEPAC** and **ROSE** 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. The investments offered by **RESPONDENTS** as units of interest in **OFPJV** are securities under the Act.

18. Pursuant to Section 8-6-2(2), Code of Alabama, 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **QUIANE**, by soliciting the sale of securities, to wit; the units of joint venture interest in **OFPJV**, to an Alabama resident is an "agent" as defined by the Act.

19. 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. **QUIANE** acted in the capacity as an agent, while not being properly registered in the state of Alabama in violation of the Act.

20. 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. **BLUEPAC** and **ROSE** unlawfully employed an agent, **QUIANE**, who was not registered in Alabama in violation of the Act.

21. Section 8-6-4, Code of Alabama, 1975 states: It is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities offered, to wit; the units of joint venture interest in **OFFJV** by the **RESPONDENTS BLUEPAC** and **QUIANE**, were neither registered nor exempt from registration in Alabama in violation of the Act.

WHEREAS, **RESPONDENTS BLUEPAC** and **ROSE** have fully cooperated with the Commission's investigation, and provided all the information requested by the Commission, and

WHEREAS, **RESPONDENTS BLUEPAC** and **ROSE** admit that the units of joint venture interest described in paragraph 6 were not registered prior to being offered and wish to continue to cooperate fully with the Commission and resolve these issues by consenting to this Order, and

WHEREAS, **RESPONDENTS BLUEPAC** and **ROSE** recognize that the Commission relied upon information and assertions of **RESPONDENTS** in its determination to consent to this Order, and that should the information provided or assertions made by the **RESPONDENTS** prove to be incorrect or misrepresented, the

Commission may seek such other administrative, civil or criminal remedies that may be available to it under the provisions of the Act, and

WHEREAS, **RESPONDENTS BLUEPAC** and **ROSE** have voluntarily waived all rights to a hearing upon entry of this Order, and have consented to the entry of this Order as a compromise, and

WHEREAS, the Commission finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, and

WHEREAS, **RESPONDENTS BLUEPAC** and **ROSE** have represented the following to the Commission staff: BluePac Management, LLC and Stanley Rose, through their execution of and solely for the purpose of settling this matter by this Consent Order, acknowledge and do not contest the foregoing allegations of the Commission, including, without limitation to the Commission's jurisdiction to enter this Order and its findings.

ACCORDINGLY, IT IS HEREBY AGREED:

1. That **RESPONDENTS BLUEPAC** and **ROSE** shall, until such time as properly registered in the state of Alabama, refrain from effecting securities transactions into, within or from the state of Alabama.

2. That **RESPONDENTS BLUEPAC** and **ROSE** shall not employ or allow anyone to act on their behalf, as an agent, in connection with such transaction, unless properly registered under the Act.

3. That this Order does not constitute a bar from **RESPONDENTS BLUEPAC** and **ROSE** becoming properly registered in the state of Alabama, and from thereafter effecting securities transactions into, within or from the state of Alabama; provided, any such registration, and corresponding application and additional information with respect

thereto, shall be subject to review by Commission staff who shall not deny such registration based on **RESPONDENTS BLUEPAC** and **ROSE** entering into this Order.

4. That **RESPONDENTS BLUEPAC** and **ROSE** shall ensure that proper procedures are in place to preclude any future non-compliance with the Act.

5. That in accordance with Section 8-6-19(j)(1), Code of Alabama, 1975, **RESPONDENTS BLUEPAC** and **ROSE** shall pay to the State of Alabama, an administrative assessment in the total sum of \$3,500.00, said funds to be tendered in certified funds contemporaneously with the entry of this Order.

6. That in accordance with Section 8-6-19(k)(1), Code of Alabama, 1975, **RESPONDENTS BLUEPAC** and **ROSE** have agreed to pay to the Alabama Securities Commission, as reimbursement for the Commission's cost of investigating this matter, the sum of \$3,500.00, said funds to be tendered in certified funds contemporaneously with the entry of this Order.

7. This Consent Order is being entered into for the sole purpose of settling Administrative Order No. CD-2010-0025 and it is not intended to be used for any other purpose.

8. This Consent Order hereby resolves the matter as it pertains to **OFPJV**, **BLUEPAC** and **ROSE**.

AGREED AND CONSENTED to on the dates indicated:

RESPONDENTS:

BLUEPAC MANAGEMENT LLC

BY: [Signature]

TITLE: Managing Member

DATE: 6/15/12

STANLEY ROSE

BY: Stanley Rose

TITLE: Managing Member

DATE: 6/15/12

OKLAHOMA FORCE POOL JOINT VENTURE #3

BY: [Signature]

TITLE: Managing member

DATE: 6/15/12

APPROVED AND AGREED this 3rd day of July, 2012



ALABAMA SECURITIES COMMISSION
P. O. Box 304700
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(334) 242-2984

BY: [Signature]
JOSEPH BORG
Director