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MAR 07 2022
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COMMISSIONERS OFFICE

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE ACTION NO. 2018-AH-00036

DEPARTMENT OF FINANCIAL INSTITUTIONS

PETITIONER

v.

AGREED ORDER

ELLIS GARY HOGAN,
JOHN T. BROWN, and
EAST FORK ENERGY PARTNERS, INC.

RESPONDENTS

FACTUAL BACKGROUND

The Department of Financial Institutions (“DFI”) is responsible for administering the provisions of Kentucky Revised Statute (“KRS”) Chapter 292 as well as any applicable rules and regulations promulgated thereunder, and orders entered pursuant to the Securities Act of Kentucky (the “Act”).

1. Ellis Gary Hogan (“Hogan”) CRD #5098798, John T. Brown (“Brown”), and East Fork Energy Partners, Inc. (“East Fork”) (collectively referred to as “Respondents”) engaged in securities-related activities in the state of Kentucky.

2. Ellis Gary Hogan (“Hogan”) CRD #5098798, was East Fork’s president and promoter. Hogan’s last known address is 800 Broadway Street, Cave City, KY 42127.

3. John T. Brown (“Brown”) was East Fork’s owner and director. Brown’s last known address is 111 Old Glasgow Road, Edmonton, KY 42129.

4. East Fork Energy Partners, Inc. (“East Fork”) was a Kentucky corporation, administratively dissolved by the Kentucky Office of the Secretary of State on October 9, 2017.

Prior to its dissolution, East Fork maintained a registered office at 207 Shirley Street, Edmonton, KY 42129. East Fork's registered agent was H. Jefferson Herbert, Jr., 135 North Public Square, Glasgow, KY 42141.

5. East Fork registered the following assumed names with the Kentucky Office of the Secretary of State: East Fork Prospect No 1, East Fork Prospect No 2, Mell Ridge JV, Monroe Tennessee Prospect, North Metcalfe Joint Venture, East Fork West Obey Prospect, and Cloverport Prospect.

STATEMENT OF FACTS

6. East Fork solicited for and sold fractional undivided interests in Kentucky oil and gas wells, which meets the definition of a security under KRS 292.310(19).

7. At all relevant times, East Fork marketed securities to potential investors. Specifically, several oil drilling projects in the state of Kentucky. In return for their capital, potential investors were told they would receive a certain percentage of a working interest in one or more active oil wells.

8. On February 19, 2010, East Fork entered into an Agreed Order in the matter of DFI v. East Fork Energy Partners, Inc., E. Gary Hogan, John T. Brown, and Andrew Bowles, Administrative Action 2009-AH-114. The Agreed Order required East Fork to "provide DFI with copies of any private placement memorandum ("PPM") it utilizes for two (2) years following entry of the Agreed Order." On or about April 30, 2010, an individual invested in an East Fork investment project and received a fractional undivided interest in the Kien Lively Prospect Joint Venture project ("Joint Venture"). The investor received no disclosures for the investment, which DFI considers omission of material facts for securities investments.

9. DFI has no records showing Joint Venture was ever registered with DFI, as required. Respondents did not provide DFI with a copy of East Fork's PPM for the Joint Venture as required by the February 19, 2010 Agreed Order.

10. DFI alleged in the complaint that Respondents violated the provision of KRS 292.320(1)(b), by failing to disclose material facts to investors in relation to the oil and gas investments. Furthermore, Respondents are alleged to have violated KRS 292.340 by selling unregistered securities.

ACTIONS FOR COMPLIANCE AND SETTLEMENT

The DFI and Respondents, collectively, in the interest of economically and efficiently resolving this matter, agree as follows:

11. DFI and Respondents conducted a hearing on the matter on August 28, 2019. DFI and Respondents agree to resolve the matter without concluding the administrative proceedings. Respondents waive their right to appeal or set aside this Agreed Order.

12. Respondents consents to and acknowledges the jurisdiction of the DFI over this matter. This Order is a matter of public record and may be disseminated as such.

13. Respondents, while neither admitting nor denying the allegations as set forth in the Administrative Complaint regarding the failure to disclose material facts, in violation of KRS 292.320(1)(b) and failure to register the investment as a security in violation of KRS 292.340, acknowledge the facts as stated.

14. Respondents Ellis Gary Hogan and John T. Brown acknowledge to being in positions of control regarding East Fork during all times relevant to this action.

15. In consideration of the execution of this Agreed Order, Respondents, for their successors and assigns, hereby releases and forever discharge the Commonwealth of Kentucky,

the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondents ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this settlement.

16. East Fork Energy Partners Inc. agrees to pay a fine in the amount of Five Thousand dollars (\$5,000.00) as full settlement of this matter. DFI agrees to suspend payment of the fine in consideration of Respondents Ellis Gary Hogan and John T. Brown's agreement to refrain from engaging in any acts or business activities related to the oil and gas industry or other securities related activity in the state of Kentucky. Any violations of the this Order will revoke the suspension status of the fine.

17. East Fork agrees to pay the fine in the form of a certified check or money order made payable to the "Kentucky State Treasurer" and mailed to the "Department of Financial Institutions, Securities Division, 500 Mero Street, 2SW19, Frankfort, KY 40601 re: East Fork Agreed Order".

18. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties. This Agreed Order shall constitute the final resolution of this matter.

AGREED on this the 2nd day of March, 2021.

**Charles
A. Vice**

Digitally signed by:
Charles A. Vice
DN: CN = Charles A. Vice
email = charles.vice@ky.
gov, O = US O = Dept. of
Financial Institutions OU
= PPC/DFI/Commissioner
Date: 2022.03.02 21:56:
21-05'00'

/s/ Charles A. Vice

CHARLES A. VICE
COMMISSIONER

This 27th day of December, 2021.

Ellis Gary Hogan
Representative
East Fork Energy Partners, Inc.,
Ellis Gary Hogan
(Respondent)

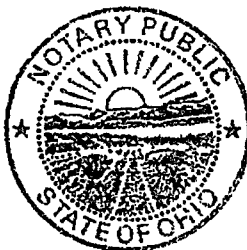
ACKNOWLEDGEMENT

STATE OF Ohio)
)
COUNTY OF Clermont)

On this the 29 day of December, 2021, before me Amy L. Mathoney, the undersigned, **ELLIS GARY HOGAN, (RESPONDENT)**, did personally appear and acknowledge himself to be the authorized representative of the East Fork Energy Partners, Inc., and that being authorized to do so did enter into and execute the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: May 6, 2024



AMY L. MATHENEY
Notary Public, State of Ohio
My Commission Expires
May 6, 2024

Amy L. Mathoney
Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 7th day of March 2022, by certified mail, return receipt requested, or hand-delivery, to the following:

JD Zornes
c/o DURHAM & ZORNES
130 Public Square
P.O. Box 100
Columbia, KY 42728
dzjd@duo-county.com
Counsel for Respondents

Via hand-delivery to:

Catherine Falconer, General Counsel
Department of Financial Institutions
500 Mero Street 2SW19
Frankfort, Kentucky 40601
Catherine.Falconer@ky.gov

Kentucky Department of Financial Institutions

Name: Mary Johnson per Allison Reid

Title: Exec Admin Secretary