

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER  
120 N. ROBINSON, SUITE 860  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Brooksmith Partners, Ltd. and  
Gregory C. Perry *aka* Gregory Charles Crowley,

Respondents.

ODS File No. 02-169

**AFFIDAVIT OF COMPLIANCE**  
**AND**  
**NOTICE OF SERVICE ON THE ADMINISTRATOR**

STATE OF OKLAHOMA    )  
                                  )     SS.  
COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (Department).

2. A copy of the Notice of Opportunity for Hearing (Notice) with Enforcement Division Recommendation (Recommendation) attached was delivered to Affiant in the office of the Administrator pursuant to Section 413(g) of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2002).

3. A copy of the Notice, with the Recommendation attached, is being sent this 23rd day of December, 2002, by certified mail, return receipt requested, delivery restricted to addressee, to the last known addresses of Brooksmith Partners, Ltd. and Gregory C. Perry *aka* Gregory Charles Crowley (collectively, the "Respondents"), in compliance with Section 413(g) of the Act.

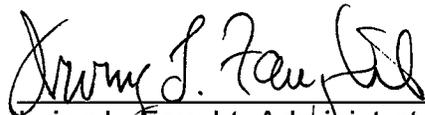
4. This Affidavit of Compliance shall serve as notice to Respondents that service of process has been effected on Respondents by service on the Administrator pursuant to Section 413(g) of the Act.

5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 413(g) of the Act.

FURTHER AFFIANT SAYETH NOT.

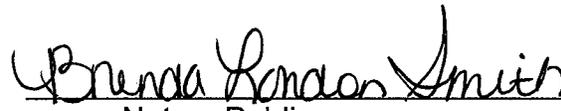
Dated this 23rd day of December, 2002.

(SEAL)

  
\_\_\_\_\_  
Irving L. Faught, Administrator

Subscribed and sworn to before me this 23rd day of December, 2002.

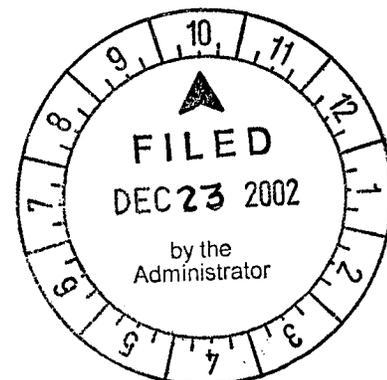
(NOTARY SEAL)

  
\_\_\_\_\_  
Notary Public

My Commission Expires: August 26, 2005

My Commission Number: 01013792

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ODS File No. 02-169

**NOTICE OF OPPORTUNITY FOR HEARING**

1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2002), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Brooksmith Partners, Ltd. and Gregory C. Perry *aka* Gregory Charles Crowley (collectively, the "Respondents") in connection with the offer and/or sale of units in oil and gas leases (Units).

2. On the 18<sup>th</sup> day of December, 2002, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 406(b) of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Pursuant to Section 406(b) of the Act, failure to request a hearing as provided for herein shall result in the issuance of an order to cease and desist against Respondents.

5. The request for hearing shall be in writing and Respondents shall specifically admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within sixty (60) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Respondents not less than ten (10) days in advance thereof pursuant to 660:2-9-3(a) of

the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 23 day of December, 2002.

(SEAL)

  
\_\_\_\_\_  
IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

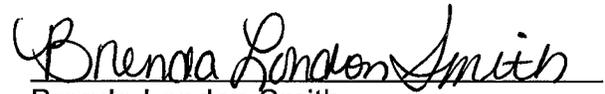
The undersigned hereby certifies that on the 23 day of December, 2002, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Enforcement Division Recommendation was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Brooksmith Partners, Ltd.  
22231 Mulholland Hwy., Suite 233  
Calabasas, CA 91302

Brooksmith Partners, Ltd.  
23679 Calabasas Road, Suite 233  
Calabasas, CA 91302

Gregory C. Perry *aka* Gregory Charles Crowley  
22231 Mulholland Hwy., Suite 233  
Calabasas, CA 91302

Gregory C. Perry *aka* Gregory Charles Crowley  
23679 Calabasas Road, Suite 233  
Calabasas, CA 91302

  
\_\_\_\_\_  
Brenda London Smith  
Paralegal

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER  
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In the Matter of:

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ODS File No. 02-169

**ENFORCEMENT DIVISION RECOMMENDATION**

Pursuant to Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2002), an investigation was conducted by the Oklahoma Department of Securities (Department) into the activities of Brooksmith Partners, Ltd. (Brooksmith Partners) and Gregory C. Perry *aka* Gregory Charles Crowley (Perry) (collectively, the "Respondents"), in connection with the offer and/or sale of units in oil and gas leases (Units).

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of an order to cease and desist.

Findings of Fact

1. At all times material hereto, Brooksmith Partners was represented to be a California limited partnership engaged in the business of developing oil and gas leases in the state of Texas.
2. At all times material hereto, Perry was represented to be the managing general partner of Brooksmith Partners.
3. At all times material hereto, J. Beasley (Beasley) was a resident of the state of Oklahoma.
4. In or around June 1999, Perry solicited Beasley's participation in the Brooksmith Partners program.

5. On or about July 19, 1999, Beasley executed a subscription agreement whereby he purchased one Unit in the Brooksmith Partners program at a price of \$2,500.

6. On or about September 3, 1999, Beasley purchased an additional Unit in the Brooksmith Partners program at a price of \$2,500.

7. At all times material hereto, the Units were not registered under the Act.

8. Brooksmith Partners did not file a notice to claim an exemption from registration pursuant to Section 401 of the Act with respect to the Units.

#### Authorities

1. Section 2 of the Act provides in pertinent part:

(v) "Security" means any:

\* \* \*

(11) investment contract; or

\* \* \*

(17) interest in oil, gas, or mineral leases, except that transactions involving leases or interest therein, between parties, each of whom is engaged in the business of exploring for or producing oil and gas or other valuable minerals as an ongoing business, and the execution of oil and gas leases by land, mineral, and royalty owners in favor of a party or parties engaged in the business of exploring for or producing oil and gas or other valuable minerals shall be deemed not to involve a security.

2. Section 301 of the Act provides:

It is unlawful for any person to offer or sell any security in this state unless:

(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or

(2) it is a federal covered security.

3. Section 405 of the Act provides in part:

(a) The Administrator in his discretion:

(1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder[.]

4. Section 406 of the Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

(1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof[.]

#### Conclusions of Law

1. The Units are securities as defined by subsection (v) of Section 2 of the Act.

2. Respondents offered and sold securities in and/or from the state of Oklahoma.

3. Respondents offered and sold securities that were not registered under the Act or exempted from registration under Section 401 of the Act or that are not federal covered securities, in violation of Section 301 of the Act.

4. The Administrator has the authority pursuant to Section 406 of the Act to issue an order to cease and desist.

5. It is in the public interest to order Respondents to cease and desist from violations of Section 301 of the Act.

WHEREFORE, it is recommended that the Administrator issue an order directing Brooksmith Partners and Perry to cease and desist from engaging in violations of Section 301 of the Act or doing any act in furtherance thereof.

Dated this 18<sup>th</sup> day of December, 2002.

Respectfully submitted,



Melanie Hall  
Deputy Administrator  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7700