

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
THE FIRST NATIONAL CENTER  
120 NORTH ROBINSON, SUITE 860  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Total Energy Partners and  
Scott E. Thomas,

Respondents.

ODS File No. 11-055

**ORDER OF CENSURE AGAINST  
SCOTT E. THOMAS**

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Enforcement Division of the Oklahoma Department of Securities ("Department") conducted an investigation into the activities of Scott E. Thomas ("Thomas") to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") may have occurred.

In order to resolve the matter, Thomas has voluntarily executed the *Agreement*, attached hereto as "Exhibit A" and incorporated herein by reference ("Agreement"), and consented to the issuance of this *Order of Censure against Scott E. Thomas* ("Order").

This Order is issued pursuant to Section 1-411 of the Act. For purposes of this Order, the Administrator of the Department ("Administrator") hereby adopts the Findings of Fact and Conclusions of Law set forth below.

**Findings of Fact**

1. Thomas, a resident of Tulsa, Oklahoma, is the co-manager of the Total Energy Partners 2009-2010 Joint Venture Fund and the Total Energy Partners 2010-2011 Joint Venture Fund (the "Fund" or "Funds"). The Funds maintain a principal place of business at 321 South Boston, Suite 201, Tulsa Oklahoma.

2. Thomas became registered in 1985 as an agent under the predecessor to the Act. In 2006, Thomas became registered under the Act as an investment adviser representative.

3. In or about June 2009, Thomas began to offer and sell what were described in offering documents as "joint venture interests" in the Funds to investors (the "Joint Venture Interests"). The offering document distributed to potential investors in connection with the offer and sale of the Joint Venture Interests (the "Private

Placement Memorandum") describes each Fund as a general partnership formed to acquire working interest participations in certain identified oil and gas prospects located in the central region of the state of Oklahoma.

4. The Private Placement Memorandum distributed to potential investors states that investors, in return for a capital contribution, shall acquire an interest in the Fund equal to the proportion of capital contributed by the investor to the total capital contributions received by the Fund from all participants in the Fund.

5. In connection with the purchase of the Joint Venture Interests, investors execute what was described as a joint venture agreement (the "Joint Venture Agreement"). The Joint Venture Agreement for each Fund provides that the Fund will be managed by the "Venture Managers", identified as Thomas and Donald A. Kilmer ("Kilmer"). The Joint Venture Agreement further provides, in relevant part, that the Venture Managers shall, in their sole discretion, select and/or substitute prospects, enter into joint operating agreements on behalf of each Fund, perform all administrative acts relating to payments and receipts, employ accountants and attorneys, purchase equipment, and enter into necessary contracts in furtherance of the intended business activities of each Fund.

6. The Private Placement Memoranda omitted to state that Kilmer, a resident of Yukon, Oklahoma, was named as a defendant in a suit filed in 2001 in the District Court of Major County Oklahoma, Case No. CJ-01-36, wherein it was alleged that Kilmer violated the anti-fraud, securities registration and broker-dealer registration provisions of the predecessor to the Act. On November 27, 2002, the Court found that Kilmer had acted as an unregistered broker-dealer and entered judgment against him in the amount of \$448,500.00. The Private Placement Memoranda further omitted to state that Kilmer was also named as a defendant in a suit filed in 2004 in the United States District Court for the Western District of Oklahoma, Case No. Civ-04-0393, wherein it was alleged that Kilmer violated the anti-fraud, securities registration and broker-dealer registration provisions of the predecessor to the Act. On February 16, 2005, the Court entered judgment in the amount of \$152,700.00 against Kilmer.

7. Beginning in or about October 2009, Thomas permitted another individual to solicit investments in the Funds (the "Agent"). Thomas agreed to pay the Agent a percentage of the amount invested by the persons whom the Agent solicited. The Agent was not registered under the Act in any capacity.

8. The Agent solicited investors, in part, through e-mail communications and personal contact.

9. While registered as an investment adviser representative under the Act, Thomas failed to cause his Uniform Application for Securities Industry Registration ("Form U-4") to be amended to reflect his activity in sponsoring, offering and selling the Joint Venture Interests or to reflect his activity as co-manager of the Funds. On November 8, 2011, Thomas filed a Uniform Termination Notice for Securities Industry

Registration ("Form U-5") with the Administrator to terminate his registration under the Act as an investment adviser representative.

10. The Administrator has jurisdiction over Respondents and the subject matter of this action.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

**Conclusions of Law**

1. The Joint Venture Interests are securities as defined in Section 1-102 of the Act.

2. Thomas employed an unregistered agent in Oklahoma, in violation of Section 1-402 of the Act.

3. Thomas failed to promptly file a correcting amendment to his Form U-4 to reflect his activity in sponsoring, offering and selling the Joint Venture Interests or to reflect his activity as co-manager of the Funds, in violation of Section 1-406.B of the Act.

4. The Administrator was authorized to enter into the Agreement pursuant to 660:2-5-3 of the Rules and is authorized to issue this Order pursuant to Section 1-411 of the Act.

5. It is in the public interest for the Administrator to issue this Order.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

**NOW THEREFORE, IT IS HEREBY ORDERED** that Scott E. Thomas is censured for violating Sections 1-402 and 1-406 of the Act.

**IT IS FURTHER ORDERED** that any disqualification from reliance upon Rule 660:11-11-52 as a result of this Order is hereby waived.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 3rd day of April, 2012.

(SEAL)

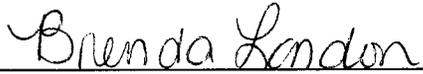
  
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IRVING L. FAUGHT, ADMINISTRATOR OF  
THE OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 4th day of April, 2012, a true and correct copy of the above and foregoing *Order of Censure against Scott E. Thomas* was mailed by certified mail, return receipt requested, to:

Scott E. Thomas  
321 S. Boston, Ste. 201  
Tulsa, OK 7 4103

H. Wayne Cooper, Esq.  
Doerner, Sanders, Daniel & Anderson, L.L.P.  
Two West Second Street, Suite 700  
Tulsa, OK 74103  
(Attorney for Respondents)

  
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Brenda London, Paralegal

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In the Matter of:

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ODS File No. 11-055

**AGREEMENT**

**THIS AGREEMENT** is entered into between Scott E. Thomas ("Thomas") and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") (collectively, the "Parties") as of the Effective Date set forth below.

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), an investigation was conducted into the activities of Thomas, to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") may have occurred.

Thomas desires to resolve the issues raised as a result of the investigation. Thomas voluntarily waives his right to a hearing and appeal as provided by the Act and the Rules.

**NOW THEREFORE**, the undersigned Parties hereto agree as follows:

1. **Jurisdiction.** The Administrator has jurisdiction over Thomas and the subject matter of this action.
2. **Order.** The Administrator shall issue an order relating to Thomas in the form attached hereto as "Attachment A" (Order).
3. **Cooperation.** Thomas shall cooperate fully and timely with any and all efforts by the Department to determine whether violations of the Act may have occurred by any other person in connection with the subject matter of this action.
4. **Compliance with the Act.** Thomas shall comply with all provisions of the Act and Rules in connection with offers and/or sales of securities in and/or from the state of Oklahoma. Thomas represents and warrants that within ten days after the effective date of the Order, he will provide a copy of the Order to each investor in the

Total Energy Partners 2009-2010 Joint Venture Fund and the Total Energy Partners 2010-2011 Joint Venture Fund. Thomas further represents and warrants that he will take all necessary steps to verify that each investor has received a copy of the Order.

5. **Public Record.** Thomas acknowledges and understands that this Agreement is a public record and will be available for public examination, pursuant to Section 1-607 of the Act.

6. **No Coercion.** Thomas enters into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.

7. **Consideration.** In consideration for this Agreement, the Administrator will not take any further action against Thomas for the activities that are the basis of the Order.

8. **Failure to Comply.** Should Thomas fail to comply with the terms of this Agreement in any material respect or if Thomas has made any false or misleading statements to the Department in connection with this matter, the Department may initiate an action against Thomas as authorized by the Act.

9. **Entire Agreement.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

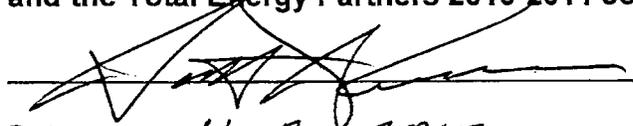
10. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Thomas, the Administrator may assist in such actions as authorized by law. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions to which it relates or any future securities transactions by Thomas.

11. **Applicability.** This Agreement applies only to the activities of Thomas and to no others. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions or activities to which it relates or any future securities transactions.

12. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

**SCOTT E. THOMAS, individually and as  
co-manager of the Total Energy Partners 2009-2010 Joint Venture Fund  
and the Total Energy Partners 2010-2011 Joint Venture Fund**



Date: 4-2-2012

Address: 321 S. Boston St 201  
Tulsa, OK 74103

**OKLAHOMA DEPARTMENT OF SECURITIES**

By:   
Irving L. Faught, Administrator

Date: April 3, 2012