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E. WALLY KINNEY
MEMBER

THE MATTER OF
GULFSTREAM OIL AND GAS, INC.
AND ACE HAROLD PARK

§
§
§

Order No. **ENF-10-CDO-1682**

TO: Gulfstream Oil and Gas, Inc.
P.O. Box 1834
Allen, Texas 75013

Ace Harold Park
1725 Lynn Lane
Allen, Texas 75002

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2009) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. Gulfstream Oil and Gas, Inc., also referred to as Gulfstream Oil and Gas Company, Inc., ("Respondent Gulfstream") maintains a last known business address at P.O. Box 1834, Allen, Texas 75013.
2. Ace Harold Park aka A.H. Parker, Harold Parker and Harold Park ("Respondent Park") is the President of Respondent Gulfstream. Respondent Park maintains last known addresses at 1725 Lynn Lane, Allen, Texas 75002 and P.O. Box 1834, Allen, Texas 75013.
3. Respondents are offering in Texas working interests representing percentage net revenue interests in various oil wells situated in Harrison County, Texas.

Respondents have placed advertisements in the Wall Street Journal describing said working interests.

4. In connection with the offer for sale of working interests, Respondents are intentionally failing to disclose the following material facts:
 - A. On or about March 31, 1997, Respondent Park filed a Voluntary Bankruptcy Petition in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, styled In The Matter of Ace H. Park, Case Number 97-41034. Respondent Park's actions in the bankruptcy proceeding led to his indictment and subsequent conviction, which are described as follows:
 - i. On or about May 9, 2001, Respondent Park was indicted for one count of bankruptcy fraud, two counts of making false oaths in a bankruptcy proceeding and one count of fraudulent concealment in a bankruptcy proceeding in USA v. Ace H. Park, Case No. 4:01-cr-00037, in the United States District Court for the Eastern District of Texas, Sherman Division.
 - ii. On or about May 7, 2002, Respondent Park pleaded guilty to one count of bankruptcy fraud and was sentenced to a twelve month term of imprisonment followed by a three year term of supervision and ordered to pay \$88,000.00 in restitution.
 - B. On or about February 9, 1999, Respondent Park was sued in Donald E. and Gay Wallroth and Joseph C. and Linda Cardone vs. Park and Park Oil Company, Ace H. Park, Individually, and Michael A. Park, Individually, Case Number 380-00175-99, in the 380th Judicial District Court, Collin County, Texas. The plaintiffs alleged violations of the Texas Securities Act, §27.01 of the Texas Business & Commerce Code, Texas Deceptive Trade Practices Act and common law fraudulent misrepresentations and negligent misrepresentations pertaining to the sale of working interests in oil wells. On or about December 19, 2000, the Court ordered Respondent Park and Park and Park Oil Company ("Park & Park") to pay \$449,466.44 for rescission and damages to plaintiffs, plus 6% prejudgment interest, and plaintiff's attorney fees in the amount of \$41,209.85.
 - C. On or about February 17, 1998, the State of Indiana, Office of the Secretary of State, Securities Division, filed an Administrative Complaint against Respondent Park and Park & Park, alleging that they offered and/or sold securities by directly or indirectly making omissions and/or misrepresentations of material fact, including omissions and/or misrepresentations relating to the production of wells. On or about June 12, 1998, Respondent Park and Park & Park agreed and stipulated, without admitting or denying to any violation of the Indiana Securities Act,

to the entry of a Consent Agreement. Respondent Park and Park & Park therein agreed that Park & Park would pay a \$10,000.00 civil penalty and at least \$106,726.00 in installments to a group of Indiana investors.

5. Respondents are touting the merits of an investment in the working interests, but these statements are materially misleading or otherwise likely to deceive the public because Respondents are not disclosing the material facts set forth herein.

CONCLUSIONS OF LAW

1. The working interests are “securities” as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents are engaging in fraud in connection with the offer for sale of securities.
3. Respondents are making an offer containing statements that are materially misleading or otherwise likely to deceive the public.
4. Respondents’ conduct, acts, and practices threaten immediate and irreparable public harm.
5. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority

of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 23rd day of February, 2010.


DENISE VOIGT CRAWFORD
Securities Commissioner