

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Robert Payne
5 Aylar Group, LLC
6 421 S Mill Street #180
7 Lewisville, Texas 75057-3947

8 DESIST AND REFRAIN ORDER
9 (For violations of sections 25110 and 25401 of the Corporations Code)

10 The California Corporations Commissioner finds that:

- 11 1. At all relevant times, Aylar Group, LLC (“Aylar”) is or was a limited liability partnership in
12 Texas with offices located at 421 S Mill Street #180, Lewisville, Texas, 75057-3947.
- 13 2. At all relevant times Robert Payne (“Payne”) is Chief Executive Officer of Aylar.
- 14 3. Beginning in or about May 2007, Aylar and Payne offered and sold securities in the form of
15 joint venture units in the 2007 Star 1-3A Joint Venture.
- 16 4. Beginning in or about May 2007, Aylar and Payne offered or sold the above described
17 securities in the State of California to unaccredited investors.
- 18 5. Aylar sought investors in its minority interest in the joint venture. The purported purpose of
19 offering the joint venture units was to fund a three well natural gas development drilling project.
- 20 6. In connection with the offer and sale of these securities, Aylar and Payne omitted to state
21 material facts. These omissions included, but are not limited to the following:
 - 22 a. Payne and Aylar failed to disclose that a majority investor in the project had been
23 involved in an enforcement action on or about September 2004;
 - 24 b. Payne and Aylar failed to disclose that a majority investor in the project had been
25 involved in an enforcement action on or about November 2004;
- 26 7. These securities were offered or sold in this state in issuer transactions. The Department of
27 Corporations has not issued a permit or other form of qualification authorizing any person to offer
28 and sell these securities in this state.

Based on the foregoing findings, the California Corporations Commissioner is of the opinion that the joint venture units offered and/or sold by Aylar Group, LLC and Robert Payne are securities

1 subject to qualification under the California Corporations Code and are being or have been offered or
2 sold without being qualified or exempt, in violation of Section 25110 of the California Corporations
3 Code.

4 Further, the California Corporations Commissioner is of the opinion that the securities offered
5 by Aylar Group, LLC and Robert Payne were offered in this state by means of written or oral
6 communications that included untrue statements of material fact or omitted to state material facts
7 necessary in order to make the statements made, in the light of the circumstances under which they
8 were made, not misleading, in violation of section 25401 of the California Corporations Code.

9 Pursuant to Section 25532 of the California Corporations Code, Aylar Group, LLC and
10 Robert Payne are hereby ordered to desist and refrain from the further offer or sale in the State of
11 California of securities, including, but not limited to joint venture units, unless and until qualification
12 has been made under said law or unless exempt.

13 Pursuant to Section 25532 of the California Corporations Code, Aylar Group, LLC and
14 Robert Payne are hereby ordered to desist and refrain from offering or selling any security in the
15 State of California, including, but not limited to joint venture units by means of any written or oral
16 communication which includes an untrue statement of a material fact or omits to state a material fact
17 necessary in order to make the statements made, in the light of the circumstances under which they
18 were made, not misleading.

19 This Order is necessary, in the public interest, for the protection of investors and consistent
20 with the purposes, policies, and provisions of the California Corporations Code.

21 Dated: August 23, 2007

22 Sacramento, California

23 PRESTON DUFAUCHARD
24 California Corporations Commissioner

25
26 By _____
27 SHARON A. LUERAS
28 Lead Corporations Counsel
Enforcement Division