JAN LYNN OWEN
California Corporations Commissioner
MARY ANN SMITH
Deputy Commissioner
MIRANDA LEKANDER (BAR NO. 210082)
Senior Corporations Counsel
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. ALFARO OIL AND GAS, LLC, BRIAN KEITH ALFARO, TIMOTHY CLARENCE HUNDLEY, AND SCREAMING EAGLE 1H WELL JOINT VENTURE, Respondents.	STIPULATION TO FINAL ORDER THAT ALFARO OIL AND GAS, LLC, BRIAN KEITH ALFARO, TIMOTHY CLARENCE HUNDLEY, AND SCREAMING EAGLE 1H WELL JOINT VENTURE DESIST AND REFRAIN FROM THE OFFER AND SALE OF UNQUALIFIED, NON-EXEMPT SECURITIES IN VIOLATION OF CORPORATIONS CODE SECTION 25510 AND FROM MISREPRESENTING AND/OR OMITTING MATERIAL FACTS IN CONNECTION WITH THE OFFER AND SALE OF SECURITIES IN VIOLATION OF CORPORATIONS CODE SECTION 25401

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IT IS HEREBY STIPULATED BY AND BETWEEN RESPONDENTS ALFARO OIL AND GAS, LLC, BRIAN KEITH ALFARO, TIMOTHY CLARENCE HUNDLEY, AND SCREAMING EAGLE 1H WELL JOINT VENTURE (collectively "Respondents") and JAN LYNN OWEN, THE CALIFORNIA CORPORATIONS COMMISSIONER ("Commissioner"), as follows:

WHEREAS, on October 9, 2012, the Commissioner issued a Desist and Refrain Order against Respondents for the sale of securities that were in the opinion of the Commissioner unqualified, non-exempt securities that were offered and sold by means of misrepresentations and/or omissions of material fact in violation of sections 25110 and 25401 of the California Corporate Securities Law of 1968 (Corp. Code, §§ 25000 *et seq.*). Attached hereto as "Exhibit A" and incorporated herein by reference is a true and correct copy of the Desist and Refrain Order dated October 9, 2012 ("Order").

WHEREAS, Respondents, without admitting or denying such charges, seek to resolve the concerns of the Commissioner by entering into this Stipulation to the Desist and Refrain Order ("Stipulation").

NOW THEREFORE, the parties hereby stipulate and agree as follows:

1. Respondents hereby voluntarily waive their right to a hearing, including that provided by Corporations Code sections 25532, subdivision (d), and 25609, and to any and all review by a court of law, including that provided by California Government Code section 11523, in relation to the Order for violations of Corporations Code sections 25110 and 25401, for selling unqualified, non-exempt securities by means of misrepresentations and/or omissions of material fact.

2. Respondents enter into this Stipulation voluntarily and without coercion and acknowledge that no promises, threats, or assurances have been made by the Commissioner or any officer, or agent thereof, about this Stipulation.

3. Respondents stipulate and agree to the finality of the Order and acknowledge that the Order remains in full effect and is a public record. Respondents understand and agree not to represent that this Stipulation is a settlement or a withdrawal of the Commissioner's Order. Respondents further understand and agree that they cannot make any statement or representation that is inconsistent with this Stipulation or the Order.

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4. Respondents understand and agree that this Stipulation does not prevent the Commissioner from taking future action in regards to this matter. This Stipulation shall not limit the ability of the Commissioner to bring any administrative or civil action to enforce compliance with the Order attached hereto or seek penalties for its violation.

5. Respondents acknowledge that nothing in this Stipulation shall preclude the Commissioner, or her agents or employees, to the extent authorized by law, from assisting or cooperating in any investigation and/or action brought by any other federal, state or county agency. Respondents further agree that this Stipulation shall not bind or otherwise prevent any other federal, state or county agency from the performance of its duties.

6. Each party represents, warrants, and agrees that they have received independent advice from their attorney(s) and/or representatives with respect to the advisability of executing this Stipulation. Each of the parties represents, warrants, and agrees that in executing this Stipulation they have placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

7. This Stipulation is the final written expression and the complete and exclusive statement of all agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, discussions, negotiations, representations, and understandings between and among the parties, their respective representatives, and any other person or entity, with respect to the subject matter covered hereby.

8. In that the parties have had the opportunity to draft, review and edit the language of this Stipulation, no presumption for or against any party arising out of drafting all or any part of this Stipulation will be applied in any action relating to, connected to, or involving this Stipulation. Accordingly, the parties waive the benefit of Civil Code section 1654 and any successor or amended

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statute, providing that in cases of uncertainty, language of contract should be interpreted most strongly against the party who cause the uncertainty to exist.

9. This Stipulation shall not become effective until signed and delivered by all parties. Respondents further agree that this Stipulation shall not go into effect unless and until the Commissioner receives a cashier's check from Respondents in the sum of FOUR THOUSAND DOLLARS ($4,000) in administrative penalties payable to the "California Department of Corporations." The check must be sent via certified mail to Miranda LeKander, Senior Corporations Counsel, Department of Corporations, 1515 K Street, Suite 200, Sacramento, California, 95814;

10. This Stipulation may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original but all of which, together, shall be deemed to constitute a single document. This Stipulation may be executed by facsimile signature, and any such facsimile signature by any party hereto shall be deemed to be an original signature and shall be binding on such party to the same extent as if such facsimile signature were an original signature; and,

11. Each signator hereto covenants that he or she possesses all necessary capacity and authority to sign and enter into this Stipulation.

Dated: 11/8/12

JAN LYNN OWEN
California Corporations Commissioner

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 11/6/12

By: _____
BRIAN KEITH ALFARO,
as an individual

Dated: 11/6/12

By: _____
TIMOTHY CLARENCE HUNDLEY,
as an individual

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ALFARO OIL AND GAS, LLC

Dated: 11/6/12

By: _____
BRIAN KEITH ALFARO,
on behalf of ALFARO OIL AND GAS, LLC

SCREAMING EAGLE 1H WELL JOINT VENTURE

Dated: 11/6/12

By: _____
BRIAN KEITH ALFARO,
on behalf of SCREAMING EAGLE 1H WELL JOINT VENTURE

APPROVED AS TO FORM:

By: _____
PATTON ZARATE, ESQ. Attorney for RESPONDENTS

JAN LYNN OWEN
California Corporations Commissioner

By: _____
MIRANDA LEKANDER
Senior Corporations Counsel

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