

PULSE 12891  
NOV '09

File 12891

STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE

In the Matter of  
Cherokee Gas Systems Incorporated  
an Oklahoma Corporation

CONSENT ORDER

Cherokee Gas Systems, Inc.  
% Gary Wykidal

Commissioner of Commerce Glenn Wilson (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised Cherokee Gas Systems, Inc., (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 80A.81 and Minn. Stat. § 45.027 against Respondent based on allegations that Respondent offered and/or sold unregistered and non-exempt securities in this state, in violation of Minn. Stat. § 80A.49. In addition, Respondent has failed to provide information requested pursuant to an Order for Written Statement, Production of Documents and Report of Sales in violation of Minn. Stat. § 45.027 subd. 1(7).

2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination at a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right it hereby waives.

3. Respondent, has agreed to disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 and Minn. R. 1400.5900.

4. The following Order is in the public interest.

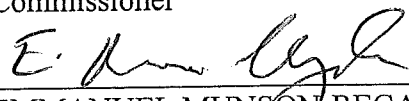
**NOW, THEREFORE, IT IS HEREBY ORDERED**, that Cherokee Gas Systems, Inc., and its officers, directors, agents, employees, assigns, successors, affiliates, representatives and servants, shall cease and desist from offering or selling in the State of Minnesota, the above or any other security, until registration in compliance with Minn. Stat., ch. 80A has been achieved or qualification for an exemption from registration pursuant to Minn. Stat. § 80A has been met.

**IT IS FURTHER ORDERED**, that pursuant to Minn. Stat. § 45.027, subd. 6 and Minn. Stat. § 80A.81, Respondent shall pay to the State of Minnesota a civil penalty of \$5,000.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 11-20-09

GLENN WILSON  
Commissioner

By:   
EMMANUEL MUNSON-REGALA  
Deputy Commissioner  
Market Assurance Division

85 Seventh Place East, Suite 500  
St. Paul, Minnesota 55101  
Telephone: (651) 296-2488

**CONSENT TO ENTRY OF ORDER**

The undersigned THOMAS LABRE acting on behalf of Cherokee Gas Systems, Inc., states that he/she has read the foregoing Consent Order; that he/she knows and fully understands its contents and effect; that he/she is authorized to execute this Consent to Entry of Order on behalf of Cherokee Gas Systems, Inc., that he/she has been advised of his/her right to a hearing; that he/she has been represented by legal counsel in this matter; or that h/she has been advised of his/her right to be represented by legal counsel and that he/she has waived this right; and that he/she consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

**Cherokee Gas Systems, Inc.**

By: \_\_\_\_\_

*[Handwritten Signature]*

Its: \_\_\_\_\_

PRESIDENT

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ (date) by \_\_\_\_\_ (name of person) as \_\_\_\_\_ (type of authority, e.g., officer, trustee, etc.) of Cherokee Gas Systems, Inc.

(stamp)

\_\_\_\_\_  
(Signature of notary officer)

My commission expires: \_\_\_\_\_

SEE ATTACHED

**ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF ORANGE )

On October 7, 2009, before me, CATHIE F. MESSENGER, a Notary Public, personally appeared Thomas A. Lacey, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

