

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
GATES OIL & GAS, LTD.,
NORTH AMERICAN ENERGY
EXCHANGE, INC.,
MICHAEL K. GRAY,
CHRISTIAN G. COLIN, and
JOHN R. KETCHMARK,

PETITION FOR ORDER

File No. S-227714(EX)

Respondents.

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("the Division"), has conducted an investigation in this matter pursuant to Wis. Stat. § 551.602, and as a result thereof alleges as follows:

1. Gates Oil & Gas, Ltd. ("Gates") is an Oklahoma corporation organized on August 1, 2012, with a last known address at PO Box 1103, Duncan, Oklahoma 73534.
2. North American Energy Exchange, Inc. ("NAEE") is a California corporation organized on May 2, 2011, with a last known address at 10137 Riverside Drive, Suite 203, Toluca Lake, California 91602.
3. Michael K. Gray ("Gray") is an Oklahoma resident born in 1964, who is an owner, officer and/or controlling person of Gates, whose last known business address is that of Gates.
4. Christian G. Colin ("Colin") is a California resident born in 1937, who is an owner, officer and/or controlling person of NAEE and whose last known business address is that of NAEE.
5. John R. Ketchmark ("Ketchmark") is a California resident born in 1967 whose last known business address is that of NAEE.
6. In December 2012, Ketchmark placed an unsolicited telephone call to a person in Wisconsin with an offer to sell securities. Specifically, Ketchmark explained that he was offering to sell working interests in an oil and gas well located in Stephens County, Oklahoma and owned and operated by Gates, called the "Paul Ray No. 1 Well." Ketchmark provided a prospectus to the person in Wisconsin, which explained that the investors in the well would have no duties or responsibilities beyond their investment and would be totally dependent on Gates to operate and manage the well.
7. The working interests in the Paul Ray No. 1 Well were undivided fractional interests in oil, gas or other mineral rights, and therefore constitute securities as defined by Wis. Stat. § 551.102(2).

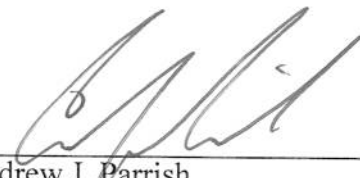
8. The Gates' securities have never been registered with the Division for offer and sale in Wisconsin pursuant to Wis. Stats. Ch. 551.
9. Respondents violated Wis. Stat. § 551.301 by offering unregistered securities to at least one person in Wisconsin.
10. NAEF transacted business in Wisconsin as a "broker-dealer," as that term is defined by Wis. Stat. § 551.102(4).
11. At no time has NAEF been registered with the Division as a securities broker-dealer pursuant to Wis. Stats. Ch. 551.
12. NAEF violated Wis. Stat. § 551.401(1), by transacting business in Wisconsin as a broker-dealer without registering with the Division.
13. Ketchmark transacted business in Wisconsin as an "agent" for NAEF, as that term is defined by Wis. Stat. § 551.102(2).
14. At no time has Ketchmark been registered with the Division as a securities agent pursuant to Wis. Stats. Ch. 551.
15. Ketchmark violated Wis. Stat. § 551.402(1) by transacting business in Wisconsin as a securities agent without registering with the Division.
16. NAEF violated Wis. Stat. § 551.402(4) by employing an unregistered agent to transact business in Wisconsin on NAEF's behalf.

Therefore, the staff of the Division petitions the Administrator of the Division of Securities for the issuance of the attached Orders pursuant to Wis. Stats. Ch. 551.

Dated this 6th date of September, 2013.



Mark E. Dorman
Examiner



Andrew J. Parrish
Staff Attorney

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
GATES OIL & GAS, LTD.,
Respondent.

WAIVER AND CONSENT
TO ORDER

File No. S-227714(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives its right to a hearing with respect to this matter and hereby consents to the issuance of the Order.

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a willful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 28th day of August, 2013

GATES OIL & GAS, LTD.

by Michael K. Gray

Michael K. Gray, President
(Type name and title)

State of)
County of) ss.

Subscribed before me this
28th day of August, 2013

Kimberly Davis
Notary Public Kimberly Davis
My commission expires 02/03/14



BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

CEASE & DESIST ORDER
(CONSENT)

GATES OIL & GAS, LTD.,

File No. S-227714(EX)

Respondents.

Based upon the attached Petition for Order and Waiver and Consent to Order, I find that this action is necessary and appropriate in the public interest and for the protection of investors:

Therefore, pursuant to Wis. Stat. § 551.604,

IT IS ORDERED THAT:

- a. Gates Oil & Gas, Ltd., its agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Wis. Stats. Ch. 551, or successor statute.
- b. All exemptions from registration set forth at Wis. Stats. Ch. 551, or successor statute, that might otherwise apply to any offer or sale of any security of or by Gates Oil & Gas, Ltd., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity or person directly or indirectly controlled or organized by or on its behalf, are hereby revoked.
- c. Gates Oil & Gas, Ltd., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from employing a broker-dealer to represent it in Wisconsin unless the broker-dealer is registered under Wis. Stats. Ch. 551, or successor statute, or exempt from the registration requirement.
- d. Gates Oil & Gas, Ltd., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from violating Wis. Stat. § 551.501, or successor statute.

EXECUTED at Madison, Wisconsin, this 9th day of September, 2013.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE

You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities under Wis. Stats. Ch. 551, is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
NORTH AMERICAN ENERGY EXCHANGE, INC.,
Respondent.

WAIVER AND CONSENT
TO ORDER

File No. S-227714(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives its right to a hearing with respect to this matter and hereby consents to the issuance of the Order.

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a willful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 22 day of AUGUST, 2013

NORTH AMERICAN ENERGY EXCHANGE, INC.


by CHRISTIAN G. COLIN
PRESIDENT
(Type name and title)

State of **California**
County of **Los Angeles**

Subscribed before me this
22 day of August, 2013


Notary Public Jonathan D. Kramer, Notary Public

My commission expires 06/13/2014

SEE ATTACHED
NOTARY CERTIFICATE

Affidavit

AUG 22 2013

Jonathan D. Kramer, Notary Public

Los Angeles

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNOR



- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], notary)

1
2
3
4
5
6

Signature of Document Signer No. 1 _____

Signature of Document Signer No. 2 (if any) _____

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me

on this 22 day of August, 2013,
Date Month Year

by (1) Christian G. Colin,
Name of Signer

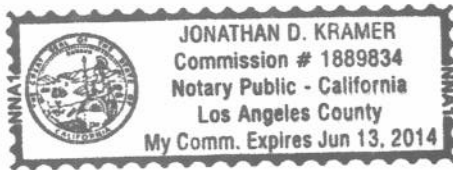
proved to me on the basis of satisfactory evidence
to be the person who appeared before me (.) (.)

(and
(2) N/A,
Name of Signer

proved to me on the basis of satisfactory evidence
to be the person who appeared before me.)

Signature [Signature]
Signature of Notary Public

Los Angeles



**Los Angeles
Affidavit**

Place Notary Seal Above

OPTIONAL

*Though the information below is not required by law, it may prove valuable
to persons relying on the document and could prevent fraudulent removal
and reattachment of this form to another document.*

Further Description of Any Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

**RIGHT THUMBPRINT
OF SIGNER #1**
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**RIGHT THUMBPRINT
OF SIGNER #2**
Top of thumb here

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

CEASE & DESIST ORDER
(CONSENT)

NORTH AMERICAN ENERGY
EXCHANGE, INC.,

File No. S-227714(EX)

Respondent.

Based upon the attached Petition for Order and Waiver and Consent to Order, I find that this action is necessary and appropriate in the public interest and for the protection of investors:

Therefore, pursuant to Wis. Stat. § 551.604,

IT IS ORDERED THAT:

- a. North American Energy Exchange, Inc., its agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Wis. Stats. Ch. 551, or successor statute.
- b. All exemptions from registration set forth at Wis. Stats. Ch. 551, or successor statute, that might otherwise apply to any offer or sale of any security of or by North American Energy Exchange, Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity or person directly or indirectly controlled or organized by or on its behalf, are hereby revoked.
- c. North American Energy Exchange, Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from employing an agent to represent it in Wisconsin unless the agent is registered under Wis. Stats. Ch. 551, or successor statute, or exempt from the registration requirement.
- d. North American Energy Exchange, Inc., its agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf, are prohibited from transacting business as a broker-dealer in Wisconsin unless registered under Wis. Stats. Ch. 551, or successor statute, or excepted from the registration requirement.
- e. North American Energy Exchange, Inc., its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from violating Wis. Stat. § 551.501, or successor statute.

EXECUTED at Madison, Wisconsin, this 9th day of September, 2013.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE

You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities under Wis. Stats. Ch. 551, is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

MICHAEL K. GRAY,

Respondent.

WAIVER AND CONSENT
TO ORDER

File No. S-227714(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order.

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a willful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 28th day of August, 2013.

MICHAEL K. GRAY

Michael K. Gray

Michael K. Gray
(DOB 2/11/64)

State of)
County of) ss.

Subscribed before me this
28th day of August, 2013

Kimberly K. Davis
Notary Public *Kimberly Davis*
My commission expires 02/03/14



BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
MICHAEL K. GRAY,

CEASE & DESIST ORDER
(CONSENT)

Respondent.

File No. S-227714(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order, I find that this action is necessary and appropriate in the public interest and for the protection of investors:

Therefore, pursuant to Wis. Stat. § 551.604,

IT IS ORDERED THAT:

- a. Michael K. Gray, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Wis. Stats. Ch. 551, or successor statute.
- b. All exemptions from registration set forth at Wis. Stats. Ch. 551, or successor statute, that might otherwise apply to any offer or sale of any security of or by Michael K. Gray, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity or person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. Michael K. Gray, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from violating Wis. Stat. § 551.501, or successor statute.

EXECUTED at Madison, Wisconsin, this 9th day of September, 2013.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE

You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities of the Department of Financial Institutions under Wis. Stats. Ch. 551, is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

CHRISTIAN G. COLLIN,

Respondent.

WAIVER AND CONSENT
TO ORDER

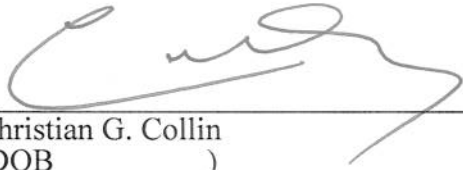
File No. S-227714(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order.

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a willful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 22 day of AUGUST, 2013.

CHRISTIAN G. COLLIN

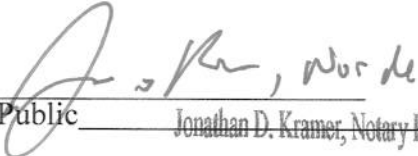


Christian G. Collin
(DOB)

State of **California**
County of **Los Angeles**

Subscribed before me this

22 day of August, 2013


Notary Public Jonathan D. Kramer, Notary Public

My commission expires 06/12/2014

SEE ATTACHED
NOTARY CERTIFICATE

AUG 22 2013
Affidavit

Jonathan D. Kramer, Notary Public

Los Angeles
CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT



- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], notary)

1 _____
2 _____
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6 _____

Signature of Document Signer No. 1 _____
Signature of Document Signer No. 2 (if any) _____

State of California
County of Los Angeles

Subscribed and sworn to (or ~~affirmed~~) before me
on this 22 day of August, 2013,
by _____
(1) CHRISTIAN G COLIN
Name of Signer



Los Angeles

Affidavit

Place Notary Seal Above

proved to me on the basis of satisfactory evidence
to be the person who appeared before me (.) (.)
(and
(2) N/A
Name of Signer

proved to me on the basis of satisfactory evidence
to be the person who appeared before me.)

Signature [Signature] Notary Public
Signature of Notary Public
Los Angeles

OPTIONAL

*Though the information below is not required by law, it may prove valuable
to persons relying on the document and could prevent fraudulent removal
and reattachment of this form to another document.*

Further Description of Any Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT
OF SIGNER #1
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RIGHT THUMBPRINT
OF SIGNER #2
Top of thumb here

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
CHRISTIAN G. COLIN,

CEASE & DESIST ORDER
(CONSENT)

Respondent.

File No. S-227714(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order, I find that this action is necessary and appropriate in the public interest and for the protection of investors:

Therefore, pursuant to Wis. Stat. § 551.604,

IT IS ORDERED THAT:

- a. Christian G. Colin, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Wis. Stats. Ch. 551, or successor statute.
- b. All exemptions from registration set forth at Wis. Stats. Ch. 551, or successor statute, that might otherwise apply to any offer or sale of any security of or by Christian G. Colin, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity or person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. Christian G. Colin, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from violating Wis. Stat. § 551.501, or successor statute.

EXECUTED at Madison, Wisconsin, this 9th day of Sept, 2013.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE

You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities under Wis. Stats. Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

JOHN R. KETCHMARK,

Respondent.

WAIVER AND CONSENT
TO ORDER

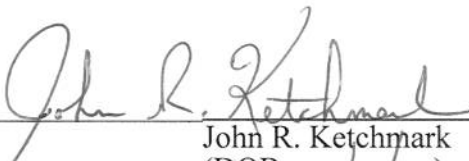
File No. S-227714(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order.

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a willful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 23 day of Aug, 2013.

JOHN R. KETCHMARK



John R. Ketchmark
(DOB 11/01/1967)

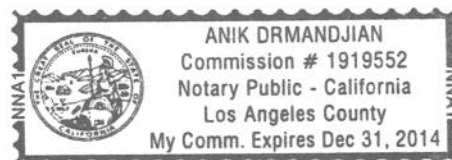
State of CALIFORNIA
County of Los Angeles)ss.

Subscribed before me this

23 day of Aug, 2013


Notary Public ANIK DRMANDJIAN

My commission expires DEC. 31, 2014



BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
JOHN R. KETCHMARK,

CEASE & DESIST ORDER
(CONSENT)

Respondent.

File No. S-227714(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order, I find that this action is necessary and appropriate in the public interest and for the protection of investors:

Therefore, pursuant to Wis. Stat. § 551.604,

IT IS ORDERED THAT:

- a. John R. Ketchmark, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Wis. Stats. Ch. 551, or successor statute.
- b. All exemptions from registration set forth at Wis. Stats. Ch. 551, or successor statute, that might otherwise apply to any offer or sale of any security of or by John R. Ketchmark, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity or person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. John R. Ketchmark is prohibited from transacting business in Wisconsin as a securities agent unless licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.
- d. John R. Ketchmark shall resolve his civil liability under Wis. Stat. 551.509 resulting from the unlawful sales of securities described in the Petition for Order prior to filing a registration application in Wisconsin.
- e. John R. Ketchmark, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from violating Wis. Stat. § 551.501, or successor statute.

EXECUTED at Madison, Wisconsin, this 9th day of September, 2013.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE: You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities under Wis. Stats. Ch. 551, is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.