BENETTE L. ZIVLEY SECURITIES COMMISSIONER

CARLA JAMES DEPUTY SECURITIES COMMISSIONER

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208 E. 10th Street, 5th Floor Austin, Texas 78701-2407 www.ssb.state.tx.us BETH ANN BLACKWOOD CHAIR

DERRICK MITCHELL MEMBER

E. WALLY KINNEY MEMBER

DAVID A. APPLEBY MEMBER

> ALAN WALDR●P MEMBER

IN THE MATTER OF	§	
ASHLY W. KUBICEK	Š	Order No. ENF-11-CDO-1714

TO: Ashly W. Kubicek 4601 FM 2616

Hallettsville, Texas 77964

AGREED CEASE AND DESIST ORDER

Be it remembered that Ashly W. Kubicek ("Respondent"), appeared before the Securities Commissioner of Texas ("Securities Commissioner") and consented to the entry of this Order and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

- 1. Respondent has waived (a) Respondent's right to notice and a hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, Tex. Rev. Civ. Stat. Ann. art. 581-1 et seq. (West 2010) (the "Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. § 2001.001 et seq. (West 2008 & Supp. 2010).
- 2. El Grado Spirits, LLC ("El Grado") is a Texas limited liability company that maintains a last known address of 4639 Corona, STE 100, Corpus Christi, Texas 78411.
- 3. Meridian Group, LLC ("Meridian") is a Texas limited liability company that maintains a last known address of 4601 FM 2616, Hallettsville, Texas 77964. Meridian is a Managing Member of El Grado.
- 4. Respondent is the owner of Meridian, and maintains a last known address of 4601 FM 2616, Hallettsville, Texas 79964.
- 5. El Grado is in the business of developing tequila products.
- 6. El Grado has offered and sold "royalty participation agreements" in Texas through sales agents, including Respondent, who were not registered with the Securities Commissioner.

- 7. Respondent represented that a \$25,000 investment would entitle investors to a forty cent royalty per each case of tequila sold by Respondent.
- 8. The royalty participation agreements were not registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
- 9. Respondent was not registered with the Securities Commissioner as a dealer or agent at any time material hereto.

CONCLUSIONS OF LAW

- 1. The royalty participation agreements are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
- 2. Respondent has violated Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
- 3. Respondent has violated Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
- 4. The foregoing violations constitute bases for the issuance of an Agreed Cease and Desist Order pursuant to Section 23.A of the Securities Act.

ORDER

- 1. It is therefore ORDERED that Respondent immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
- It is further ORDERED that Respondent immediately CEASE AND DESIST from the offer and sale of securities in Texas until Respondent is registered with the Securities Commissioner as a dealer or agent or an available exemption from registration is utilized.

SIGNED AND ENTERED by the Securities Commissioner this 16 day of November _____, 2011.

Carla James
BENETTE ZIVLEY

Juterim Securities Commissioner

Respondent:

Ushly W. Kubicek
Ashly W. Kubicek

Approved as to Form:

Joseph J Rotunda

Director

Enforcement Division

Angela **c**ole

Assistant Director

Enforcement Division

Travis G. Edwards

Attorney for Respondent

121 E. Constitution

Victoria, Texas 77901

ACKNOWLEDGEMENT

On the 44 day of November, 2011, Ashly W. Kubicek ("Respondent"), personally appeared before me, executed the foregoing Order and acknowledged that:

- 1. Respondent has read the foregoing Order;
- 2. Respondent has been fully advised of her rights under the Texas Securities Act and the Administrative Procedure Act:
- 3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
- 4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived her rights as set forth therein.

[affix notary seal here]

VICKI L. SONTHEIMER Notary Public STATE OF TEXAS My Comm. Exp. Oct. 22, 2014

Notary Public in and for
The State of Texas
My commission expires on: 11/22/2014