

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300  
Facsimile: (512) 305-8310

## Texas State Securities Board

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

BETH ANN BLACKWOOD  
CHAIR

BRYAN K. BROWN  
MEMBER

EDWARD ESCUDERO  
MEMBER

DERRICK MITCHELL  
MEMBER

E. WALLY KINNEY  
MEMBER

IN THE MATTER OF  
IMPACT ENERGY LLC  
AND SHANE RHODEN PERRY

§  
§  
§

**Order No.** ENF-08-CDO-1664

TO: Impact Energy LLC  
9022 Clearlake Drive  
Rowlett, Texas 75088

Shane Rhoden Perry  
9022 Clearlake Drive  
Rowlett, Texas 75088  
and  
P.O. Box 110  
Rowlett, Texas 75088

### EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2008) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence sufficient for the Securities Commissioner to find that:

#### FINDINGS OF FACT

1. Impact Energy LLC ("Respondent Impact") maintains a last known address at 9022 Clearlake Drive, Rowlett, Texas 75088.
2. Shane Rhoden Perry ("Respondent Perry") maintains a last known address at P.O. Box 110, Rowlett, Texas 75088 and 9022 Clearlake Drive, Rowlett, Texas 75088. Respondent Perry is the President of Respondent Impact.
3. Respondents are making available the opportunity to invest in the Ownbey Troyer 12-A Joint Venture in Texas. Potential investors are told that the primary investment objective of the Joint Venture is the acquisition of 75% of the working interest and 60.00% of the net revenue interest in twelve oil wells to be reworked on the Ownbey and Troyer Leases in Chautaugua County, Kansas. Respondent Impact is the Joint Venture Manager of the Ownbey Troyer 12-A Joint Venture.

4. In connection with the offer for sale of the above-described units, Respondents are intentionally failing to disclose the following material facts:
- a. On or about February 5, 2008, Respondent Perry was named as a Respondent in a Summary Order to Cease and Desist by the Pennsylvania Securities Commission, styled In The Matter of Langley Energy, Inc., and Shane Perry, Docket Number 2008-01-19. This Summary Order was re-entered on March 14, 2008, and it found that Respondent Perry violated the Pennsylvania Securities Act of 1972 in connection with the sale of units of participation in oil and gas wells.
  - b. On or about June 2, 2005, Respondent Perry filed a Voluntary Bankruptcy Petition in the United States Bankruptcy Court of the Eastern District of Texas, Tyler Division, styled In The Matter of Shane Rhoden Perry, Debtor, Case Number 05-61192. The Court ultimately dismissed the proceeding after finding that Respondent Perry failed to make Chapter 13 payments as required by law and failed to timely amend schedules and/or statements of affairs as required by the Bankruptcy Court Rules.
  - c. On or about August 15, 2006, Respondent Perry was charged with Possession of Cocaine in State of Oklahoma v. Shane Rhoden Perry, Case Number CF-06-00615, in the District Court of Bryan County, Oklahoma. On or about March 27, 2007, Respondent Perry entered a plea of no contest to said charge and he was thereafter sentenced to probation for a term of 5 years. He later failed to comply with the terms of probation and the Court issued a bench warrant for his arrest. This warrant is currently outstanding.
  - d. On or about September 20, 2005, Respondent Perry was charged with False Statement to Obtain Property or Credit involving \$20,000 or more but less than \$100,000 in State of Texas v. Shane Rhoden Perry, Cause Numbers 19,029-2005, 19,028-2005, 19,027-2005 and 19,026-2005, in the 402nd Judicial District Court of Wood County, Texas. On or about January 6, 2006, Respondent Perry entered a plea of no contest to the charges. He was thereafter found guilty of the charges and ordered to serve a ten year term of deferred adjudication community supervision conditioned on his payment of restitution and court costs.
  - e. Respondent Perry was charged with Fraudulent Use of Identifying Information in Cause No. 19,030-2005 in the 402nd Judicial District Court of Wood County, Texas. Respondent Perry thereafter admitted his guilt in the case and the court considered this offense when determining his sentence in Cause No. 19,026-2005.
  - f. On or about July 3, 2007, Respondent Perry was convicted of Theft involving \$1500 or more but less than \$20,000 in State of Texas v. Shane Rhoden Perry, Case Number 0618789, in the 8th District Court of Hopkins County,

Texas. He was sentenced to serve one year of confinement in county jail which was probated for a term of two years.

5. Respondents are representing that Respondent Perry has worked as an independent financial consultant for multi-million dollar corporations since 1997, that he has focused his studies on oil and gas and consulted investors on speculative investing for many years, and that he has worked in the financial industry specializing in oil and gas since 2003. These statements are materially misleading or otherwise likely to deceive the public in light of the above-described undisclosed material facts.
6. Respondents represent that all subscription payments will be held in a segregated account until subscriptions for two units for \$200,000 have been accepted by Respondent Impact and that investor funds will thereafter be disbursed to Respondent Impact. Respondents also represent that Respondent Impact will either purchase all outstanding units or return all funds paid by subscribers if subscriptions for twenty units for \$2,000,000 are not received prior to the termination of the offering. These statements are materially misleading or otherwise likely to deceive the public because investors are not provided with any information that indicates how Respondent Impact will repay investors if their funds are released to Respondent Impact and the subscription amount is not received during the offering period.
7. Respondents represent that the Joint Venture's estimated costs/fees are \$186,000 for legal, accounting and printing, \$339,600 for organization, \$625,200 for syndication and \$349,200 for management, collectively amounting to \$1,500,000 (75%) of the \$2,000,000 subscription amount, which is materially misleading or otherwise likely to deceive the public because there is no disclosure of any reasonable basis for such estimates, the estimated costs for legal, accounting and printing, organization and syndication are duplicative of each other and Respondent Impact is entitled to receive such funds as compensation regardless of the actual expenditure for such costs.

#### CONCLUSIONS OF LAW

1. The units in the Ownbey Troyer 12-A Joint Venture are securities as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents are engaging in fraud in connection with the offer for sale of securities.
3. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public.

4. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
5. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 19<sup>th</sup> day of December, 2008.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner