

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

In the Matter of
QUIGLEY PETROLEUM, LLC,
DARREN E. QUIGLEY,
KATHERINA S. QUIGLEY and
BRIAN GAUSE

PETITION FOR ORDER

Respondents.

File No. S-04067(EX)

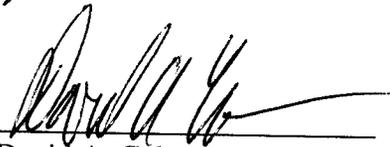
The staff of the Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Quigley Petroleum, LLC (“QPL”) is a foreign business entity with a last known business address at 909 Electra, Lakeway, TX 78734;
2. Darren E. Quigley (“D. Quigley”) is an adult individual with a last known business address at that of QPL and a last known residence at 5000 Whitestone Lane, #621, Plano TX 75024;
3. Katherina S. Quigley (“K. Quigley”) is an adult individual with a last known business address at that of QPL and a last known residence at 5000 Whitestone Lane, #621, Plano TX 75024;
4. Brian Gause (“Gause”) is an adult individual with a last known business address at that of QPL;
5. At all times material hereto D. Quigley was the President and CEO of QPL and K. Quigley was the managing member;
6. At all times material hereto, Gause was an agent of QPL and D. Quigley and K. Quigley;
7. During at least February 2004, Gause, on behalf of QPL, D. Quigley and K. Quigley, offered “joint venture interests” in Katherina Joint Venture #1 to at least one person in Wisconsin;
8. The joint venture will enter into a turnkey drilling and completion contract and the Managing Venturer will make all material decisions regarding the investment;
9. Because the investors will have no control over the day to day operations of the enterprise and this is an investment in a common enterprise with the expectation of profit to be derived through the essential managerial efforts of someone other than the investor, the joint venture interests are “investment contracts” as defined by 1.02(6), Wis. Adm. Code and are therefore securities pursuant to sec. 551.02(13), Wis. Stats.;

10. The Quigley securities have never been registered for offer or sale in Wisconsin;
11. By offering unregistered securities, Respondents have violated sec. 551.21, Wis. Stats.,
12. Gause has never been licensed as a securities agent in Wisconsin;
13. By acting as an unlicensed agent, Gause has violated sec. 551.31(1), Wis. Stats.,
14. By hiring an unlicensed person to represent them in Wisconsin, QPL, D. Quigley and K. Quigley have violated sec. 551.31(2), Wis. Stats.,
15. A review of the Texas Railroad Commission's records does not show any filings by Quigley to drill this well, indeed no filing of any kind relating to this well can be found;
16. On March 3, 2004, the staff wrote to the Respondents: to date no response has been received;

THEREFORE, the staff of the Bureau of Registration & Enforcement petitions the Administrator for the issuance of the attached Order.

DATED this 12th day of July, 2005.



David A. Cohen
Supervising Attorney
Bureau of Registration & Enforcement