

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

In the Matter of

PETITION FOR ORDER

JASMINE, INC.,
JIMMY W. GRAY, TRUE FUNDING
PARTNERS, INC., and
MICHAEL A. DONALDSON,

File No. S-09066(EX)

Respondents.

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

1. Jasmine, Inc., (“Jasmine”) is an Oklahoma corporation with a last known mailing address of PO Box 1103, Duncan, Oklahoma 73534. Its registered agent is David W. Hammond, 122 South 11th Street, Duncan, Oklahoma 73534.
2. True Funding Partners, Inc. (“True Funding”) is a California corporation with a last known business address of 1033 East Imperial Highway, Suite E10, Brea, California 92821. Its registered agent is Michael A. Donaldson, at the same address.
3. Jimmy W. Gray (“Gray”) (CRD # 11025815) is an individual who at all times material hereto has been an owner, officer, and/or controlling person of Jasmine, Inc., with the same last known business address as Jasmine, Inc. and a last known home address of 2608 Wildwood Place, Duncan, Oklahoma 73533.
4. Michael A. Donaldson (“Donaldson”) is an individual who at all times material hereto has been an owner, officer and/or controlling person of True Funding, with the same last known business address as True Funding.
5. During May 2009, Donaldson, on behalf of Jasmine and Gray, offered to at least one person in Wisconsin an investment in working interests in an oil and gas well in Oklahoma named the Mackenzie No. 1 Well operated by Jasmine, Inc.
6. According to the offering materials received by the person in Wisconsin from Donaldson on behalf of True Funding, Jasmine and Gray, the total offering is of 100 units at \$15,000 per unit for an aggregate of \$1,500,000, with each unit consisting of a 0.5% working interest in the Mackenzie No. 1 Well, which is to be located in Garvin County, Oklahoma.
7. According to information provided by Gray and Donaldson in the offer to the person in Wisconsin, the investors will play a passive role in the company with no duties and responsibilities and no additional liabilities.
8. According to statements made by Gray and Donaldson in the verbal offer to the person in Wisconsin, the person did not need to be an accredited investor to invest in the Mackenzie No. 1 Well, since there can be up to 35 non-accredited investors in the offering.

9. According to information provided by Donaldson to Division staff, Donaldson and True Funding are to receive a finder's fee from Jasmine and Gray for bringing persons who invest to Jasmine and Gray.

10. Upon information and belief, investors will not be involved in the day-to-day management of the oil and gas well operated by Jasmine, since the investors are too numerous for each to have any meaningful input, nor do the investors have the expertise or experience necessary to perform the necessary duties.

11. Since the investors will be involved in a common enterprise with the expectation of profit to be derived from the essential managerial efforts of others, the working interests offered by the Respondents are investment contracts as defined by § 551.102(28), Wis. Stats.

12. The Jasmine investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

13. Each Respondent has violated § 551.301, Wis. Stats., by offering unregistered securities in Wisconsin.

14. In connection with the offer of the securities described above, Donaldson transacted business in Wisconsin as an "agent" for Jasmine and Gray, as that term is defined by § 551.102(2), Wis. Stats.

15. At no time has Donaldson been registered as a securities agent pursuant to Ch. 551, Wis. Stats.

16. Donaldson has violated § 551.402, Wis. Stats., by transacting business in Wisconsin as a securities agent without registering in Wisconsin.

17. In connection with the offer of the securities described above, True Funding transacted business in Wisconsin as a broker-dealer in offering the Jasmine investment contracts to the person in Wisconsin, as that term is defined by § 551.102(4), Wis. Stats.

18. True Funding has never been registered as a broker-dealer in Wisconsin pursuant to Chapter 551, Wis. Stats.

19. True Funding has violated § 551.401, Wis. Stats., by transacting business as an unregistered broker-dealer in Wisconsin.

20. Jasmine, Gray and True Funding have violated § 551.401(3), Wis. Stats., by employing an unregistered agent to represent them in Wisconsin.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities to issue of the attached Order pursuant to Ch. 551, Wis. Stats.



Mark Dorman
Senior Examiner
Bureau of Enforcement

11-2-09
Date



Leslie M. Van Buskirk
Attorney Supervisor
Bureau of Enforcement

11/2/09
Date