

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Cherokee Oil and Natural Gas Acquisition Company, LLC
Ian Scott-Gross, formerly known as Raymond Charles Gross
468 N. Camden Drive
Beverly Hills, CA 90210

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Cherokee Oil and Natural Gas Acquisition Company, LLC (“Cherokee Oil and Gas”), a California limited liability company, conducted business at 468 N. Camden Drive, Beverly Hills, CA 90210, and maintained a website at www.cherokeeoilandgas.com. Cherokee Oil and Gas was purportedly in the business of acquiring “proven/producing oil and gas royalty assets from individuals, groups, or oil and gas companies.”
2. At all relevant times Ian Scott-Gross, formerly known as Raymond Charles Gross, was president of Cherokee Oil and Gas.
3. On or about February 1, 1996, the Securities and Exchange Commission barred Raymond Charles Gross, now known as Ian Scott-Gross, from association with any broker, dealer, investment company, investment advisor or municipal securities dealer.
4. On or about August 12, 1999, the Los Angeles Superior Court, Case No. SS008663, granted Raymond Charles Gross’ petition to change his name to Ian Scott-Gross.
5. Beginning in at least September 2006, Ian Scott-Gross and Cherokee Oil and Gas offered and/or sold securities in the form of investment contracts, or certificates of interest or participation in an oil or gas title or lease or in payments out of production under that title or lease.

1 6. By publication on their website at www.cherokeeoilandgas.com, Ian Scott-Gross and
2 Cherokee Oil and Gas solicited investments in Cherokee Oil and Gas.

3 7. The purported purpose of the offering was to acquire oil and gas royalty assets from
4 individuals, groups, or oil and gas companies.

5 8. These securities were offered or sold in this state in issuer transactions. The Department of
6 Corporations has not issued a permit or other form of qualification authorizing any person to offer
7 and sell these securities in this state.

8 9. In connection with the offers and/or sales in Cherokee Oil and Gas, Ian Scott-Gross and
9 Cherokee Oil and Gas made untrue statements of material fact or omitted to state material facts
10 necessary in order to make the statements made, in the light of the circumstances under which they
11 were made, not misleading. These misrepresentations and/or omissions included, but are not limited
12 to Ian Scott-Gross' failure to disclose that the Securities and Exchange Commission barred Ian Scott
13 Gross, formerly known as Raymond Charles Gross, on February 1, 1996, under his former name,
14 Raymond Charles Gross.

15 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
16 that the investment contracts, or certificates of interest or participation in an oil or gas title or lease or
17 in payments out of production under that title or lease being sold by Ian Scott-Gross and Cherokee
18 Oil and Natural Gas Acquisition Company, LLC are securities subject to qualification under the
19 California Corporate Securities Law of 1968 and are being or have been offered or sold without first
20 being qualified. Pursuant to Section 25532 of the Corporate Securities Law of 1968, Ian Scott-Gross
21 and Cherokee Oil and Natural Gas Acquisition Company, LLC are hereby ordered to desist and
22 refrain from the further offer or sale of securities, in the State of California, including but not limited
23 to investment contracts, or certificates of interest or participation in an oil or gas title or lease or in
24 payments out of production under that title or lease, unless and until qualification has been made
25 under said law or unless exempt.

26 Further, the California Corporations Commissioner is of the opinion that the securities of
27 Cherokee Oil and Natural Gas Acquisition Company, LLC, were offered or sold in this state by
28 means of written or oral communications which included an untrue statement of a material fact or

1 omitted to state a material fact necessary in order to make the statements made, in the light of the
2 circumstances under which they were made, not misleading, in violation of Section 25401 of the
3 Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law of
4 1968, Cherokee Oil and Natural Gas Acquisition Company, LLC and Ian Scott-Gross are hereby
5 ordered to desist and refrain from offering or selling or buying or offering to buy any security in the
6 State of California, including but not limited to investment contracts, or certificates of interest or
7 participation in an oil or gas title or lease or in payments out of production under that title or lease, by
8 means of any written or oral communication which includes an untrue statement of a material fact or
9 omits to state a material fact necessary in order to make the statements made, in the light of the
10 circumstances under which they were made, not misleading.

11 This Order is necessary, in the public interest, for the protection of investors and consistent
12 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

13 Dated: June 1, 2007
14 Los Angeles, California

15 PRESTON DUFAUCHARD
16 California Corporations Commissioner

17
18 By _____
19 ALAN S. WEINGER
20 Lead Corporations Counsel
21 Enforcement Division
22
23
24
25
26
27
28