

## **Alabama Securities Commission Issues ‘No-Action Letter’ In Favor of Gulf Coast Western**

DALLAS – Following extensive negotiations with [Gulf Coast Western, LLC](#), the Alabama Securities Commission has vacated its cease and desist order against the company and issued a “no-action letter” concerning the company’s operations and sponsored oil & gas joint ventures.

Gulf Coast Western sponsors oil & gas joint ventures in which accredited venture partners actively participate in the management of their partnerships. In March 2010, the Commission issued a cease and desist order (No. CD-2010-0013) regarding Gulf Coast Western’s sponsorship of certain joint venture interests involving Alabama partners.

After ongoing negotiations with Gulf Coast Western, on November 14, 2011, the Commission vacated its prior order and issued the no-action letter in favor of Gulf Coast Western. The no-action letter provides that the Commission will take no future action against Gulf Coast Western as long as the company follows specific business practices set forth in the letter, most of which have long been standard practices for Gulf Coast Western.

The no-action letter also requires that Gulf Coast Western make additional disclosures available through secure websites for each joint venture and provide simple access to contact information for partners, operators and geologists involved with each joint venture. The company also must include a risk factor disclaimer in its Confidential Information Memorandum stating that neither the Commission nor any Alabama court has taken a position as to whether joint venture interests generally constitute “securities” under the Alabama Securities Act.

“We are extremely pleased with this result and I cannot say enough good things about Joe Borg and his staff at the Alabama Securities Commission,” says Matthew H. Fleeger, president and CEO of Gulf Coast Western. “Mr. Borg and his staff took the time to fully understand Gulf Coast Western’s operations and the company’s role as managing joint venturer. We appreciate their thorough review of this matter and their decision to issue this no-action letter.”

In vacating its prior order, the Commission stated that it relied on documentation supplied by Gulf Coast Western regarding the operations of the joint ventures. The Commission also noted it received affidavits from current Gulf Coast Western Alabama joint venture partners, who each said they received notices of joint venture meetings, had the ability to participate in these meetings, managed the joint ventures by majority vote and had no complaints against the company or joint ventures.

Gulf Coast Western’s business practice is to ensure that all joint venture participants are accredited and have access to all information necessary to actively manage their joint ventures. The company hosts a Due Diligence section on its website (<http://www.gulfcoastwestern.com>) to provide venture partners with additional important information.

Gulf Coast Western was founded in 1970 for the purpose of exploring, developing and acquiring domestic oil & gas reserves, primarily in the Gulf Coast region of the United States.

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