

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 66726 / April 3, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14831

In the Matter of

JERRY L. AUBREY,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Jerry L. Aubrey (“Aubrey” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Respondent, of Moreno Valley, California, was the founder of, managing member of, and a salesperson for Progressive Energy Partners, LLC ("PEP"). Respondent operated PEP from about May 2005 to April 2010. Respondent holds no securities licenses and has never been registered with the Commission in any capacity. Respondent, 50 years old, is currently incarcerated in Tomoka Correctional Institution in Daytona Beach, Florida.

2. On December 20, 2011, a final judgment was entered against Respondent, permanently enjoining Respondent from future violations of Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and permanently enjoining Respondent and any entity he owns or controls from offering unregistered securities, in the civil action entitled Securities and Exchange Commission v. Jerry L. Aubrey, et al., Civil Action Number SACV 11-1564 JVS (RNBx), in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that PEP conducted an \$11 million boiler room fraud that victimized more than 200 investors. From approximately September 2005 to December 2009, PEP fraudulently offered and sold securities to investors nationwide and in Canada through unregistered offerings. Respondent claimed the investors' money would be used to develop and support oil and gas wells. In fact, the bulk of the money was used to line the Respondent's pockets, fund a lavish lifestyle, and make Ponzi-like payments intended to perpetuate the fraud. Respondent used PEP to run a Ponzi scheme by paying alleged investor returns with money raised from new investors. Respondent also misappropriated investor funds for his personal use. In addition, Respondent: 1) misrepresented to investors they could expect a greater than 50% annual return on their investment; 2) failed to disclose to investors that up to 35% of their investment would be used to pay sales commissions; and 3) falsely represented to investors that PEP used an accounting firm to assist with investor distributions. Furthermore, Respondent solicited potential investors in PEP and received a 2% sales commission on all PEP investments sold. Respondent was not registered as a broker-dealer or associated with a registered broker-dealer at the time Respondent operated PEP.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary