

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

IN THE MATTER OF

GLOBAL PARTNERS CAPITAL,
ASIA PACIFIC ENERGY, INC.,
HAU WAI CHEUNG a/k/a JOHN CHUNG,
SINGH GAHUNIA a/k/a SHAWN MILLER,
TRAVIS ARMSTRONG, PETER BECKFORD
AND DIANE FRANCES

Case No. S-07-040

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ARKANSAS SECURITIES DEPT.

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department ("Staff") has received information and has in its possession certain evidence which indicates that Global Partners Capital, Asia Pacific Energy, Inc., Hau Wai Cheung a/k/a John Chung, Singh Gahunia a/k/a Shawn Miller, Travis Armstrong, Peter Beckford, and Diane Frances (collectively "Respondents") have violated provisions of the Arkansas Securities Act ("Act"), Ark. Code Ann. § 23-42-101 through 509.

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of sections of the Act, Ark. Code Ann. § 23-42-101 through 509, and is therefore properly before the Arkansas Securities Commissioner ("Commissioner") in accordance with Ark. Code Ann. § 23-42-209.

FACTS SUPPORTING CEASE AND DESIST ORDER

2. At least two Arkansas residents, identified herein as AR1 and AR2, were solicited to make purchases of stock in Asia Pacific Energy, Inc. ("Asia Pacific") and purchased investments in securities represented to be stock in Asia Pacific.

3. AR1 was solicited by telephone and mail in October 2006, by a person who identified herself as Diane Frances ("Frances"), a senior portfolio manager of Global Partners Capital ("Global Partners"). Frances offered to sell AR1 stock in Asia Pacific, which she claimed to be an oil and gas exploration company. Frances presented AR1 with an offer to purchase 10,000 shares of Asia Pacific to AR1 for \$1.00 per share.

4. AR1 was also solicited by telephone in October 2006, by a person who identified himself as Peter Beckford ("Beckford"), a senior portfolio manager of Asia Pacific. Additional correspondence from "Investor Relations" of Asia Pacific induced AR1 to invest in a pre-IPO offering, initial public offering, in Asia Pacific by claiming that another stock promoted by Asia Pacific representatives, Energy Finders Inc., had recently "gone public" resulting in an instant 2200% increase in the price of the stock.

5. AR1 received another letter in October 2006, from a person who identified himself as Travis Armstrong ("Armstrong"), an executive vice president of Asia Pacific, in which AR1 was again offered 10,000 shares of Asia Pacific. Armstrong's letter stated that AR1 would have an option to redeem all of his Asia Pacific shares for \$1.25 per share in the event of an IPO opening price of less than \$1.50 per share.

6. AR1 sent a check in the amount of \$10,000, dated November 21, 2006, made payable to Asia Pacific with a notation that the check was for "10,000 shares." AR1 received a letter dated January 16, 2007, from Armstrong welcoming AR1 as a client of Global Partners, thanking him for his investment in Asia Pacific, and enclosing a certificate for 10,000 shares of Asia Pacific stock.

7. In January 2007, AR1 was solicited to make additional investments in Asia Pacific through telephone conversations with someone who identified himself as Shawn Miller ("Miller"), a senior vice president of Global Partners. AR1 received a letter dated January 30, 2007, from Armstrong thanking AR1 for a purchase of 25,000 shares of Asia Pacific.

8. In April 2007, AR1 was solicited to purchase an additional \$50,000 in Asia Pacific stock. On or about May 15, 2007, AR1 sent a check in the amount of \$50,000 made payable to Asia Pacific for the purchase of the stock.

9. AR2 was initially solicited by Miller to purchase stock in Asia Pacific, which he represented to be an oil and gas exploration company, through telephone conversations in October 2006. A letter from Armstrong to AR2 dated November 9, 2006, thanked AR2 for his purchase of 5,000 shares of Asia Pacific. Armstrong stated in his letter that AR2 would have an option to redeem his Asia Pacific shares for \$1.25 per share on the first trade date after the company goes public with an IPO. In correspondence to AR2 dated November 10, 2006, Miller attached a subscription agreement to purchase 5,000 shares of Asia Pacific and requested that payment be sent via an enclosed FedEx envelope. A letter from Armstrong with an enclosed stock certificate for 5,000 shares of Asia Pacific stock welcomed AR2 as a client of Global Partners and thanked him for his purchase of Asia Pacific stock.

10. A letter from Miller to AR2 dated March 19, 2007, referenced a subscription agreement for a second purchase of Asia Pacific stock by AR2. A letter from Armstrong to AR2 on the same date thanked him for purchasing 20,000 shares of Asia Pacific. AR2 wired \$20,000 from his bank account in

Arkansas to an account in Phoenix, Arizona for the benefit of Asia Pacific on March 20, 2007. AR2 received a stock certificate from Armstrong for 20,000 shares of Asia Pacific.

11. A letter from Armstrong to AR2 dated April 23, 2007, thanked AR2 for purchasing 10,000 shares of Asia Pacific and referenced an earlier phone conversation between AR2 and Beckford. A letter to AR2 from Beckford stated, "please find attached the subscription agreement, letter of intent, and wiring instructions."

12. Correspondence to both AR1 and AR2 from Armstrong, Miller, Beckford, and Asia Pacific Investor Relations listed the address for Asia Pacific as 5001 LBJ Freeway, Suite 700, Dallas, Texas, 75244. Letters to AR1 from Frances and Miller listed an address for Global Partners as 5348 Vegas Drive, Suite C, Las Vegas, Nevada, 89108.

13. Information obtained by the Department from the Ontario Securities Commission, in Toronto, Ontario, Canada, indicates that Hau Wai Cheung ("Cheung") who also uses the name John Chung and Singh Gahunia ("Gahunia") who also uses the name Shawn Miller are the directing minds of Global Partners. The Ontario Securities Commission has initiated an action and issued a Temporary Order, dated October 10, 2007, directing Global Partners, Cheung, Gahunia, and others to cease all trading in securities of Asia Pacific and other entities. Pursuant to a second Order issued by the Ontario Securities Commission on January 22, 2008, the Temporary Order was extended until the conclusion of a hearing on the merits. Additional information from the Ontario Securities Commission indicates that Cheung and others operated the business

of Global Partners from 55 York Street, Suite 201, Toronto, Ontario M9R 3E5 Canada.

14. The Respondents have never been registered as broker-dealers or agents to offer or sell securities in the State of Arkansas.

15. The Respondents offered and sold shares of stock in Asia Pacific to Arkansas residents AR1 and AR2.

16. The Asia Pacific shares of stock constitute “securities” within the definition at Ark. Code Ann. § 23-42-102(15)(A)(ii).

17. The Asia Pacific shares of stock were offered and sold by Respondents to Arkansas residents at a time when the securities were not registered or exempt from registration under the Act.

18. In connection with the offers and sales of Asia Pacific shares of stock, Respondents intentionally failed to disclose the following material facts:

- a. The risks related to the purchase of shares of stock in a company that specializes in oil and gas exploration; and
- b. Information regarding the assets, liabilities, profits, losses, cash flow and other financial data of Asia Pacific.

19. In connection with the offers and sales of Asia Pacific shares of stock, Gahunia intentionally misrepresented his identity to Arkansas residents he solicited.

APPLICABLE LAW

20. Ark. Code Ann. § 23-42-209 provides in part that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or

practice constituting a violation of any provision of this chapter or any rule or order under this chapter, he may summarily order the person to cease and desist from the act or practice.

21. Ark. Code Ann. § 23-42-301 states that it is unlawful for any person to transact business in this state as a broker-dealer, agent, investment adviser or representative unless such person is registered under the terms of the Act.

22. Ark. Code Ann. § 23-42-501 states that it is unlawful for any person to offer or sell any security in Arkansas unless it is registered or exempt from registration.

23. Ark. Code Ann. § 23-42-102(15)(A)(ii) defines "Security" to include any stock.

24. Ark. Code Ann. § 23-42-507 states that it is unlawful for any person in connection with the offer, sale or purchase of any security, directly or indirectly:

- 1) to employ any device, scheme or artifice to defraud;
- 2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or
- 3) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

VIOLATIONS OF LAW

25. The facts set out in paragraphs 2 through 19 clearly show Respondents have engaged in activity in violation of the Act by transacting business in this state as a broker-dealer or agent without registering as required under Ark. Code Ann. § 23-42-301.

26. The facts set out in paragraphs 2 through 19 also show Respondents have violated Ark. Code Ann. § 23-42-501 by offering securities for sale in Arkansas at a time when the securities are not registered under the Act.

27. The facts set out in paragraphs 2 through 19 also show Respondents have violated Ark. Code Ann. § 23-42-507 by engaging in fraudulent activity in connection with the offer and sale of securities.

28. The facts set out in paragraphs 2 through 19 also show Respondents' conduct, acts and practices threaten immediate and irreparable public harm.

LEGAL AUTHORITY TO ISSUE CEASE AND DESIST ORDER

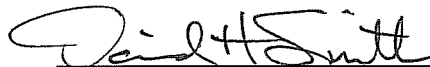
29. Ark. Code Ann. § 23-42-209 provides in part that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, he may summarily order the person to cease and desist from the act or practice.

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order Global Partners, Asia Pacific, Hau Wai Cheung a/k/a John Chung, Singh Gahunia a/k/a Shawn Miller, Travis Armstrong, Peter Beckford and Diane Frances to immediately CEASE AND DESIST from any further actions in the State of Arkansas in connection with the offer or sale of the securities described above and any other securities until such time as the securities are properly registered or shown to be exempt from registration pursuant to the

Arkansas Securities Act and the persons offering them for sale are properly registered or shown to be exempt from registration pursuant to the Arkansas Securities Act.

WHEREFORE, the Staff further requests that the Commissioner order Global Partners, Asia Pacific, Hau Wai Cheung a/k/a John Chung, Singh Gahunia a/k/a Shawn Miller, Travis Armstrong, Peter Beckford and Diane Frances to immediately CEASE AND DESIST from the acts or practices set forth above or any other acts or practices involving acts and a course of business which operate as a fraud or deceit upon Arkansas residents.

Respectfully submitted,



David H. Smith
Chief Counsel

7-24-2008

Date

Attorney for the Staff
Arkansas Securities Department