

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

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IN THE MATTER OF: ALFARO OIL & GAS, LLC, ITS MANAGERS))
OFFICERS AND DIRECTORS, AGENTS, EMPLOYEES,))
AFFILIATES, SUCCESSORS AND ASSIGNS and BRIAN K.))
ALFARO INDIVIDUALLY, and PINNACLE PARTNERS))
FINANCIAL CORPORATION, ITS MANAGERS, OFFICERS AND))
DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES,))
SUCCESSORS AND ASSIGNS and BRIAN K. ALFARO))
INDIVIDUALLY.))
_____)

FILE NO. 1100296

NOTICE OF HEARING

TO RESPONDENTS:

Alfaro Oil & Gas, LLC
21022 Gathering Oak, Suite 2103
San Antonio, Texas 78260

Pinnacle Partners Financial Corporation (CRD # 145523)
21022 Gathering Oak, Suite 2103
San Antonio, Texas 78260

Brian Keith Alfaro (CRD # 4049120)
21022 Gathering Oak, Suite 2103
San Antonio, Texas 78260

c/o Christopher Seps, Esq.
Locke Lord Bissell & Liddell, LLP.
Attorneys and Counselors
111 South Wacker Drive
Chicago, Illinois 60606

You are hereby notified that pursuant to Section 11.F of The Illinois Securities Law of 1953, as amended, Ch. 815 ILCS 5/1, et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 14th day of December, 2011, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly designated Hearing Officer of the Secretary of State.

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Said hearing will be held to determine whether a permanent Order of Prohibition should be entered against Alfaro Oil & Gas, LLC, Pinnacle Partners Financial Corporation their officers and directors, or members and managers, agents, employees, sales representatives, and affiliates, successors and assigns, and Brian Keith Alfaro, individually, the ("Respondents"), and/or granting such other relief as may be authorized under the Act including, but not limited to, censure and the imposition of a monetary fine in the maximum amount of \$10,000 per violation.

The grounds for such proposed action are as follows:

1. That Respondent Alfaro Oil & Gas, LLC, a Texas corporation ("Gas") maintained a last known business address at 21022 Gathering Oak, Suite 2103, San Antonio, Texas 78260.
2. That Respondent Pinnacle Partners Financial Corporation, a Texas corporation ("Pinnacle") and a broker dealer maintained a last known business address at 21022 Gathering Oak, Suite 2103, San Antonio, Texas 78260.
3. That Respondent Brian Keith Alfaro individual, ("Alfaro"), managing member of Gas and agent and president of Pinnacle, a broker-dealer, ("Respondents") maintained a last known business address at 21022 Gathering Oak, Suite 2103, San Antonio, Texas 78260.
4. That in the third quarter of 2008, or thereabouts, a representative of Respondents through Pinnacle cold called at least one Illinois Investor ("Investor") and pursued the relationship for the purpose of selling to Investor interests known as the "North May Grande and Bastian Bay 3-D Joint Venture, a Texas partnership" at the price of \$70,388 per interest (the "Offering").
5. The purpose of the offering was to raise funds as initial capitalization for drilling and testing two natural gas wells located in Texas and Louisiana and to enter into a turnkey and operating agreement with Alfaro and Gas as the managing member.
6. Subsequent to the foregoing solicitation, on December 3, 2008, Investor purchased the Offering, and signed a subscription agreement with Respondents and sent a \$26,800.00 dollar check as and for the first stage payment.
7. On February 6th 2009 the investor sent a check in the amount of \$43,588.00 for completion of the well as set forth in the subscription agreement.
8. That the activities described in paragraphs 4 through 7 above constitute the offer and sale of a certificate of participation in a profit-sharing agreement or an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
9. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under

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Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.

10. That Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and as a result the security was not registered pursuant to Section 5 of the Act prior to its offer and sale in the State of Illinois.
11. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
12. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
13. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default; unless any Respondent has upon due notice moved for and obtained a continuance.

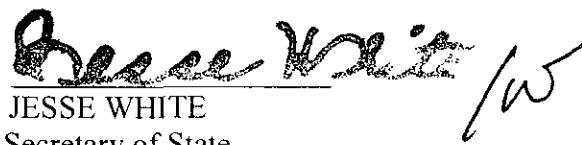
A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, and are on the following web site: <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

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Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 26th day of October, 2012.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman

Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3988

Hearing Officer:

James L. Kopecky
Kopecky, Schumacher & Bleakley, P.C.
203 North LaSalle Street, Suite 1620
Chicago, Illinois 60601
Phone: 312-380-6552