UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

SECURITIES AND EXCHANGE COMMISSION,	:	
Plaintiff,	:	Civil Action No.
vs.	:	
JERRY D. CASH and DAVID E. GROSE,	:	
Defendants.	:	

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

SUMMARY

1. This case concerns misconduct by Jerry D. Cash ("Cash"), the former Chief Executive Officer and chairman of Quest Resource Corporation ("Quest Resource") and of the general partner of Quest Energy Partners, L.P. ("Quest Energy") (together with Quest Resource, "Quest"), and David E. Grose ("Grose"), Quest's former Chief Financial Officer. Cash and Grose (the "Defendants") exploited the companies' lax internal controls to misappropriate millions from the companies through insider loans that were also undisclosed related party transactions.

2. Between 2005 and August 2008, Cash embezzled $10 million from Quest by transferring funds between Quest-related entities and companies he owned and controlled. Cash concealed his scheme by, among other things, ostensibly transferring

the funds back to Quest each quarter. Grose was aware of Cash's misappropriation. Grose initiated the wire transfers for Cash and lied to Quest's employees and auditors about the transfers.

3. Grose also exploited lax internal controls at Quest to siphon over $1.8 million from the company. From December 2005 through August 2008, a Quest equipment supplier paid Grose approximately $850,000 in undisclosed kickback payments. In addition, Grose misappropriated $1 million from Quest to fund his personal investment in a start up company.

4. Neither Cash nor Grose publicly disclosed Cash's embezzlement or the long series of related party transfers between Cash's personal companies and Quest. Similarly, Grose did not disclose the related party transactions through which he personally benefited. To the contrary, each Defendant certified in multiple periodic filings with the Commission that, among other things, he had "disclosed . . . any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting." Defendants also failed to disclose related party transactions in numerous Quest public filings. In addition, Defendants signed periodic management representation letters for Quest's auditor attesting, among other things, that all related party transactions had been disclosed and that there had been no fraud involving management.

5. As a result of Cash and Grose's activities, Quest failed to disclose, or inadequately disclosed, the related party transactions in periodic filings, registration

statements, and proxy statements. After Quest discovered the extent of Defendants' conduct in 2008, Cash resigned and Grose was fired.

6. By reason of these activities, Defendants violated the anti-fraud provisions of the Securities Act of 1933 ("Securities Act") and the anti-fraud and proxy provisions of the Securities Exchange Act of 1934 ("Exchange Act"), and aided and abetted Quest's violations of the reporting, internal controls, and record-keeping provisions of the Exchange Act. The Commission, in the interest of protecting the public from any further fraudulent activity, brings this action against Defendants seeking permanent injunctive relief, disgorgement of all illicit profits, plus accrued prejudgment interest, civil monetary penalties, and permanent bars prohibiting each Defendant from serving as an officer or director of a public company.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77u(a)] and Section 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78aa]. Defendants have, directly or indirectly, made use of the means or instruments of transportation and communication, and the means or instrumentalities of interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged herein. Venue is proper because certain of the acts, practices, transactions and courses of business alleged herein occurred within the Western District of Oklahoma.

DEFENDANTS

8. **Jerry D. Cash**, age 46, is a resident of Oklahoma City, Oklahoma. He served as CEO (or co-CEO) and chairman of the board of Quest Resource from November 2002 until his resignation in August 2008. He also served as CEO, president, and chairman of Quest Energy GP, LLC from July 2007, until his resignation in August 2008.

9. **David E. Grose**, age 56, is a resident of Oklahoma City, Oklahoma. He served as CFO of Quest Resource from June 2004, and as CFO of Quest Energy GP, LLC from July 2007, until his termination in September 2008.

RELATED ENTITIES

10. **Quest Resource Corporation** is a Nevada corporation with its principal place of business in Oklahoma City, Oklahoma. The company engages in oil and gas exploration and production, and it also has a midstream gas transportation business. Quest Resource's common stock and Series B Junior Participating Preferred Stock Purchase Rights are registered with the Commission under Section 12(b) of the Exchange Act and trade on the Nasdaq Global Market.

11. **Quest Energy Partners, L.P.** is a Delaware limited partnership with its principal place of business in Oklahoma City, Oklahoma. Quest Energy acquires, exploits and develops oil and gas properties, and is particularly focused on coal bed methane properties in Kansas, Oklahoma, and Pennsylvania. Quest Energy's common units representing limited partnership interests are registered with the Commission under Section 12(b) of the Exchange Act and trade on the Nasdaq Global Market. Quest

Energy's general partner is Quest Energy GP, LLC, a wholly owned subsidiary of Quest Resource. Quest Energy was formed in July 2007. Quest Resource contributed some of its subsidiaries to Quest Energy in connection with the formation of the entity and the November 15, 2007 initial public offering of its common units.

12. **Rockport Energy LLC** ("Rockport Energy") is a Texas limited liability oil and gas production company with its principal offices in Oklahoma City, Oklahoma and Bellaire, Texas. Rockport Energy is owned equally by Cash and two other Quest employees. Grose sometimes acted as secretary for Rockport Energy LLC.

FACTS

I. Cash Misappropriates $10 Million From Quest

A. Cash joins Quest but continues outside businesses

13. Cash joined Quest in November 2002 after Quest acquired the natural gas-related assets of Cash's company, STP Cherokee, Inc. Cash served as co-CEO with the prior Quest CEO until June 2004, when he became Quest's sole CEO. Cash retained STP Cherokee's oil-related assets in a separate company, STP Newco, that he owned.

14. Cash and others formed Rockport Energy in 2004 to exploit an oil and gas opportunity with a third party through a separate limited partnership (the "Rockport Energy partnership"). Cash bankrolled Rockport Energy through personal contributions, bank loans, and transfers from STP Newco. Cash's personal assistant at Quest maintained the accounting records for these entities and received and reconciled their bank accounts. Beginning in August 2004, the Rockport Energy partnership began acquiring and developing oil and gas leases. By mid-2005, the investment proved a

disaster, and by the end of the year, Cash had lost approximately $2 million in the unsuccessful venture.

15. Unbeknownst to his Rockport Energy partners, Cash opened and maintained an account in Rockport Energy's name at NBC Bank (the "NBC account") in late June 2004. Cash maintained sole signatory authority over the NBC account and the NBC account statements went to Cash's home, rather than his personal assistant or anyone else at Quest or Rockport Energy. Cash, who was chronically cash-strapped, used the NBC account to funnel Quest money to his personal account and to his private, non-Quest businesses.

B. Cash uses loans and related party transfers to steal from Quest

1. 2004 loans

16. In June and July 2004, Cash directed Grose to make the first two transfers totaling $450,000 from a Quest subsidiary to the NBC account. Almost immediately, Cash transferred all of the money to his personal account and used the funds for personal and non-Quest business purposes. Although Cash repaid these transfers in September 2004, they initiated his practice of using the NBC account to divert Quest funds.

2. 2005 transfers

17. In 2005, Cash again caused Quest to fund his personal and outside-business expenses. In June and September 2005, a Quest subsidiary transferred a total of $700,000 to the NBC account. After directing the return of the $700,000 at the end of September 2005, Cash began a recurring quarterly sequence of transferring money to the NBC account at the beginning of the quarter, often transferring additional amounts during

the quarter, and returning the total amount of the transfers at the end of the quarter. As soon as Rockport Energy received the money, Cash routinely sent virtually all of it to his personal account or to the Rockport Energy partnership.

18. During the period of the transfers to Rockport Energy, Cash spent over $5 million on his Oklahoma City home, including $2.3 million to general contractors and other suppliers, $1.3 million to the interior decorator for furnishings and services, $1.3 million for landscaping services, $180,000 for the sound system, and $46,000 for the purchase and maintenance of koi fish. In addition to these expenditures, Cash purchased luxury cars for himself and family members, leased a Malibu vacation home, and hired a full time gardener to care for the bamboo garden at his Oklahoma City estate, providing the gardener with a luxury SUV. He also paid approximately $1.4 million on credit cards during the same period.

19. On October 5, 2005, Cash directed Grose to transfer $750,000 to Rockport Energy, and then transferred the money to his account and the Rockport Energy partnership within a day. On November 28, 2005, Grose emailed Cash noting, "Also, with the Sarbanes Oxley compliance under way, we need to discuss the dollar transactions with Quest, as the reviewers will note the transactions and we will have an SEC matter and more. P/S advise where we are at, so I can plan accordingly. [T]hanks." Cash replied: "Rockport will have funds back into Quest before the end of the year and there should be no more transferring of funds after that." Despite Cash's promise that no additional funds would be required, he directed Grose to send an additional $1 million

two weeks later on December 13, 2005. At year end 2005, Rockport Energy repaid the $2 million Quest subsidiaries had transferred to it during the quarter.

20. Grose knew Cash was using the money from Quest for his personal and non-Quest business. Grose assisted Cash with paying the bills for Rockport Energy and the partnership. Consequently, he knew that Cash's personal and business ventures were churning through money at a rapid pace and faced serious cash shortfalls in 2005. By late 2005, Grose acknowledged in an email that Rockport Energy was "out of money." During this same time, Grose also knew that Cash was spending substantial amounts of money renovating his Oklahoma City estate.

3. 2006-2008 transfers

21. Despite Cash's promises that the transfers would end at year-end 2005, in early 2006, Cash again directed Grose to transfer a total of $3 million from Quest subsidiaries to Rockport Energy. Cash's e-mails from early 2006 continue to promise that the money will be returned soon and that no more money will be required. For example, on January 3, 2006, Cash directed Grose to send "one last wire" of $500,000 from a Quest subsidiary to Rockport Energy, promising that the money would be back before the end of the month. One week later, Cash directed Grose to send an additional $500,000 to Rockport Energy, again promising the money would be returned by the end of the month. During February and early March 2006, Cash directed Grose to send Rockport Energy another $2 million.

22. At the end of the first quarter 2006, Rockport Energy "repaid" the Quest subsidiary with a $3 million temporary check dated and deposited on March 31, 2006—

the last day of the quarter. On that date, the balance in the NBC account was $28,847.39. The check cleared because on April 3, 2006, the first business day of the second quarter, Grose sent a $3 million wire to the NBC account. Thus, Cash used a kited check to "repay" Quest at the end of the first quarter 2006, and covered the check using Quest's wire from the beginning of the subsequent quarter. Grose knew that Cash no longer was able to repay the company and suggested that Cash write a check, which would be covered by a corresponding wire from Quest. After the first quarter 2006, Cash simply directed Grose to transfer funds, without bothering to promise the prompt return of the money.

23. Thereafter, the same scenario was replayed each quarter through the second quarter 2008—Cash wrote a Rockport Energy check on the last business day of the quarter and Grose wired a corresponding amount from a Quest subsidiary to Rockport Energy on the first business day of the subsequent quarter. Cash, however, continued to direct additional transfers to Rockport Energy during the quarters, and the balance of the quarter-end "payments" increased to $8 million by the end of 2006 and $10 million by the end of 2007.

24. In March 2008, however, a clerical error almost exposed the scheme. Pursuant to their usual practice, Cash gave Grose a $10 million Rockport Energy check on the last business day in March 2008. A clerical error, however, delayed the corresponding Quest $10 million wire to Rockport Energy on the first business day in April. Because of the delay, Rockport Energy's NBC account did not have sufficient funds to cover the $10 million Rockport Energy check to Quest, and the check bounced.

Both Grose and Cash worked diligently to correct the overdraft situation, and eventually, Cash contacted the banks and sorted out the error.

25. During the two and one-half years that Cash wrote multi-million dollar checks to "repay" Quest at the end of each quarter, the balance in the NBC account was approximately $1,800 at the end of seven of the ten quarters, and the quarterly ending balance never exceeded $112,000. Because Grose deposited the check on the last business day of each reporting period, Quest in its financial statements reported cash balances that were from $2 million to $10 million higher than the amount of cash Quest actually had during the period. As a result, Quest materially overstated cash in its financial statements from the third quarter of 2005 through the second quarter of 2008. Specifically, for each of the years ended December 31, 2005, 2006 and 2007, Quest Resource's cash balances were overstated by 29%, 19% and 60%, respectively.

C. Grose and Cash mislead Quest's auditors

26. Grose and Cash concealed the quarterly transfers to Rockport Energy from the auditors. During the March 2006 field work for the 2005 year end audit, the auditors questioned Grose about the $2 million transaction with Rockport Energy. Grose replied to the auditors in an email: "I will provide you the details tomorrow, but a Quest activity and not RP [Rockport Energy], just appears on surface as such." In a subsequent conversation with the auditors, Grose gave his cover story for the transfers, explaining that Cash used Rockport Energy to "scout" oil and gas leases for Quest's benefit. In March 2008, Quest's auditors again questioned the transfers, which had grown to $10 million. Grose met with the audit partner, reiterated the story that the money was for

Rockport Energy to pursue "stealth" projects for Quest, and told the auditor that the transactions were approved by the Quest board of directors and that the money was in an escrow account. Grose claimed that he had the board of directors' authorization and a copy of the escrow account statement.

27. In addition, for each quarter and year from 2004 through the second quarter of 2008, Cash and Grose signed management representation letters that were provided to Quest's auditor as part of its annual audits and quarterly reviews. These letters failed to disclose the loans to Cash through related party transactions between Rockport Energy and Quest. The letters also affirmatively represented that there was no fraud involving Quest management, which was false.

II. Grose's Related Party Transactions

A. Grose receives kickbacks from a Quest vendor

28. In addition to facilitating Cash's thefts, Grose also used related party transactions to line his own pockets. In late 2005, a Quest equipment vendor (the "Quest vendor") began transferring money to Grose and Brent Mueller, Grose's close friend who was Quest's purchasing manager. Between December 2005 and August 2008, Brooks issued at least 80 checks to Grose ranging in amounts from $600 to $86,666.66 and totaling more than $850,000.

29. The Quest vendor, Grose, and Mueller entered into an arrangement pursuant to which the Quest vendor agreed to split his companies' profits with Grose and Mueller, including profits earned from sales of pipe and equipment to Quest. After the Quest vendor received payment on invoices submitted to Quest, he split the profits from

those transactions three ways, keeping a third for himself and giving a third each to Grose and Mueller. Grose and Mueller were aware that the Quest vendor did a substantial amount of business with Quest, since they submitted purchase orders to the Quest vendor and authorized payment of invoices. Grose never disclosed these payments or the kickback scheme in company filings or disclosures.

B. Quest loans Grose $1 million for a personal investment

30. In addition to enriching himself through the kickback scheme, Grose also diverted $1 million from Quest to fund a personal investment. On June 30, 2008, the Quest vendor invoiced Quest for a $1 million deposit in connection with a 2009 pipe order. Grose wired $1 million as payment to the Quest vendor on July 1, but Mueller called the Quest vendor the same day and cancelled the pipe order. Mueller told the Quest vendor that Grose would contact him later about refunding Quest's payment. Grose provided wiring instructions to the Quest vendor that same afternoon, and the Quest vendor wired $1 million to an account specified by Grose. The $1 million refund, however, was not wired to a Quest account, but rather to an account owned by Oklahoma Hydrogen Gas Technologies, a small start-up company. Oklahoma Hydrogen's owner agreed to pay Grose five percent of his company's future profits in exchange for Grose's $1 million investment. Weeks later, Grose told Mueller that the $1 million was a loan and that he planned to repay Quest by the end of the quarter, but that by the time Grose attempted to collect the $1 million from Oklahoma Hydrogen, the money had already been spent and was unrecoverable.

III. The Schemes Unravel

A. Lawler investigates the transfers

31. In late July 2008, a Quest vice president discovered the transfers between Quest and Rockport Energy and alerted Quest's recently hired COO, David Lawler, that Rockport Energy had $10 million of Quest's cash. Lawler immediately questioned Grose, who assured him that: (a) Cash had provided documentation from Quest's board approving the transfers; and (b) Quest's auditors were aware of the arrangement. Lawler later questioned Cash, who explained that Rockport Energy was acting as an undisclosed agent for Quest in scouting possible oil and gas deals. Cash assured Lawler that he would pay the money back. Lawler also contacted the auditors, who gave Lawler a similar explanation for the transfers.

32. As a result of Lawler's questioning of the transfers, the auditors contacted Grose, who again told them that the money was used to scout deals for Quest. For the first time, however, Grose expressed concern that neither Rockport Energy nor Cash could repay the money. The auditors concluded that the quarterly transfers were nothing more than a series of kited checks. Ultimately, the auditors insisted that Cash cause Rockport Energy to return the $10 million to Quest immediately, or else they would not consent to the release of Quest's second quarter 2008 Form 10-Q.

33. On Monday, August 11, 2008, Cash gave Grose a Rockport Energy check for $10 million and Quest filed its Form 10-Q, after the auditors consented to its release. Grose, however, did not deposit the check that day and told another Quest employee that Cash had instructed him to "hang on to the check for a little bit." A few days later, Grose

told this same employee that the payor bank had informed him the check would not clear. Grose held the Rockport Energy check for one week before finally depositing it on Monday, August 18. On August 22, 2008, the company learned that the check had bounced.

B. Quest's board meets on August 22, 2008

34. Quest's board scheduled a meeting for Friday, August 22, after learning about a state securities investigation into the transfers between Quest, Rockport Energy, and Cash. Cash disappeared before the board meeting but, late on August 21, sent an email to a board member stating, "I'm sorry I let you down but please take care of [my wife], she had no idea of what I did, please take my stock in the company . . . I take full responsibility." The next morning, he telephoned two board members and confessed that he had taken $10 million from Quest. Quest's board met on August 22 and, among other things, engaged special counsel to investigate the transfers. On August 23, Cash resigned at the board's insistence, which the company announced the next business day.

35. During the August 22 board meeting, directors questioned Grose about the transfers. He reiterated that he had board authorization for the Rockport Energy transfers, then left the meeting and later provided special counsel two documents purporting to be minutes of board meetings held on March 4, 2005 and October 3, 2006. The alleged 2005 minutes authorized establishment of an "escrow account" in an amount not to exceed $5 million to be used by the company for "potential funding of opportunities that may arise from time to time." The nearly identical alleged 2006

36. In reality, however, the minutes were fake. No Quest board meetings occurred on the dates reflected in the purported minutes. Moreover, the purported attendees of these meetings—two board members and Quest's outside counsel—each denied that the meetings took place and that they authorized the transfers.

IV. Quest's Public Filings Fail to Disclose the Loans Made Through Related Party Transactions

A. Relevant disclosure requirements

37. Generally Accepted Accounting Principles ("GAAP") and SEC regulations provide that a public company and its management must disclose related party transactions in quarterly and annual filings with the SEC.

38. Statement of Financial Accounting Standards No. 57 ("FAS 57") sets forth the GAAP requirements for related party transaction disclosures. Paragraph 2 of FAS 57 provides that a public company's "[f]inancial statements shall include disclosures of material related party transactions." "Related party transactions" include those between "an enterprise and its principal owners, management, or members of their immediate families" and those between a company and its "affiliates." [FAS 57, ¶ 1.] "Affiliate" includes any company that is under common control or management with the public company. [*Id*., ¶ 24(a, b).] Disclosures of related party transactions shall include (a) the nature of the relationship involved, (b) a description of the transactions for each period for which income statements are presented and such other information necessary to an

understanding of the effects of the transactions on the financial statements, (c) the dollar amount of transactions for each of the periods for which income statements are presented, and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement. [*Id.*, ¶ 2.]

39. Under FAS 57, each of Quest's reports on Forms 10-Q and 10-K should have disclosed details of Quest's related party transactions with Cash, Grose and their affiliates.

40. In addition, SEC regulations require further disclosures of related party transactions. Among other things, Part III of Form 10-K requires disclosure of "Certain Relationships and Related Transactions," specifically including disclosures prescribed by Item 404 of SEC Regulation S-K. Item 404(a) of Regulation S-K requires a description of any transactions exceeding $120,000 (this threshold was $60,000 for filings made before December 2006) in which the public company is a party and in which any director, executive officer or member of their immediate families has a direct or indirect material interest. Item 404(a) requires disclosure of the person and the person's relationship to the public company, the nature of the person's interest in the transaction and, where practicable, the amount of the person's interest in the transaction.

41. Under these SEC regulations, all of the transactions described previously – in which Cash and Grose unquestionably had direct or indirect material interests – were required to be disclosed either in Quest's Form 10-K filings for each relevant year, or in its annual proxy statements for those years in which Quest opted (as permitted under SEC rules) to put the Part III information in its annual proxy statement.

B. Quest Resource filings

42. Quest Resource's 2005 Form 10-K (filed March 31, 2006) and 2007 Form 10-K/A (filed April 29, 2008) purported to include the disclosures required under Part III of Form 10-K, including disclosures of related party transactions required under Item 404(a) of Regulation S-K. The 2005 10-K merely stated "none" under the heading "Item 13: Certain Relationships and Related Transactions," while the 2007 amended 10-K affirmatively stated that, among other things, no executive officer "had a direct or indirect material interest in any transaction since the beginning of fiscal year ended December 31, 2007, or any currently proposed transaction, in which we or one of our subsidiaries is a party and the amount involved exceeds $120,000." Cash and Grose signed both of these filings.

43. For 2004, 2006 and 2007, Quest Resource included related party disclosures in its annual proxy statements, filed May 2, 2005, April 30, 2007, and June 19, 2008, respectively. None of these filings mentioned the loans made through transfers between Quest and Cash's companies, and the 2006 and 2008 proxy statements omitted disclosure of Grose's receipt of kickback payments. Quest Resource's Form 10-KSB for 2004 and Form 10-K for 2006, both signed by Cash and Grose, expressly incorporated by reference the Part III disclosures in the annual proxy statements.

44. Cash and Grose both signed Officer and Director Questionnaires in connection with the 2008 proxy statement and submitted the questionnaires to company counsel, for use in connection with the companies' public reporting processes. Cash

failed to disclose the Quest transfers to Rockport Energy and Grose failed to disclose the kickbacks from the Quest vendor in the questionnaire.

45. Cash and Grose signed the Sarbanes-Oxley certifications accompanying Quest Resource's 2004, 2005, 2006 and 2007 Forms 10-KSB and 10-K, and Forms 10-Q through the second quarter Form 10-Q filed August 11, 2008. Cash and Grose certified in each that, among other things, "I have disclosed … any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting."

46. In addition, Quest Resource incorporated its inadequate related party transaction disclosures in registration statements filed with the Commission, including a Form S-8 filed on April 4, 2006 and Forms S-3 filed April 12, 2006, May 17, 2006, and January 19, 2007. Cash and Grose signed all of these registration statements.

47. Cash and Grose knew that the filings and documents referenced in paragraphs 42-46, above, were false and misleading at the time they signed the documents.

C. Quest Energy filings

48. Cash and Grose signed Quest Energy's 2007 Form 10-K, which purported to contain the related party disclosures required under Part III of Form 10-K. They also signed Quest Energy's registration statements, as amended, on Forms S-1 in 2007 and 2008, which also purported to disclose related party transactions. These filings disclosed related party transactions between Quest Energy and various Quest Resource affiliates,

but did not disclose any related party transactions involving Cash and private companies he controlled, or Grose's kickback payments.

49. Cash and Grose also signed the Sarbanes-Oxley certifications in Quest Energy's 2007 Form 10-K, and Forms 10-Q through the second quarter Form 10-Q filed August 12, 2008. These certificates were identical in substance to those Cash and Grose signed for Quest Resource's filings.

50. Cash and Grose knew that the filings and documents referenced in paragraphs 48-49, above, were false and misleading at the time they signed the documents.

FIRST CLAIM
Violations of Section 17(a) of the Securities Act
(Antifraud Violations)

51. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

52. Defendants, directly or indirectly, singly or in concert with others, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operate or would operate as a fraud and deceit upon purchasers, prospective purchasers and other persons.

53. Defendants engaged in the conduct described in this claim knowingly or with severe recklessness. In addition, Defendants were negligent as they engaged in the conduct alleged in this Complaint.

54. For these reasons, Defendants have violated and, unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM
Violations of Section 10(b) of the Exchange Act and Rule 10b-5
(Antifraud Violations)

55. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

56. Defendants, directly or indirectly, in connection with the purchase or sale of securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons.

57. Defendants engaged in the conduct described in this claim knowingly or with severe recklessness.

58. For these reasons, Defendants have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §§ 240.10b-5].

THIRD CLAIM
Violations of Section 14(a) of the Exchange Act and Rule 14a-9
(Proxy Violations)

59. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

60. Defendants, by use of the mails or any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate for the public interest or for the protection of investors, have: (a) solicited or permitted the use of their name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered pursuant to Section 12 of the Exchange Act; or (b) solicited by means of any proxy statement, a form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in light of the circumstances in which it is made, was false or misleading with respect to any material fact, or which omitted to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

61. For 2004, 2006, and 2007, Quest filed definitive proxy statements in May 2005, April 2007, and June 2008, respectively. Defendants signed all the proxy statements despite knowing that these statements failed to disclose the loans made through transfers between Quest and Cash's companies, and that they omitted disclosure of Grose's receipt of kickback payments (with respect to the 2006 and 2008 proxy

statements). Defendants provided false 2008 Officer and Director Questionnaires, in which they failed to disclose their knowledge of material related-party transactions and vendor kickbacks.

62. By reason of the foregoing, Defendants have violated and, unless enjoined, will continue to violate Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Rule 14a-9 [17 C.F.R. §240.14a-9].

FOURTH CLAIM
Violations of Section 13(b)(5) of the Exchange Act and Rule 13b2-1
(Record-Keeping Violations)

63. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

64. Defendants knowingly circumvented Quest's system of internal accounting controls and/or knowingly falsified Quest's books and records required to be kept under Section 13 of the Exchange Act.

65. By reason of the foregoing, Defendants violated, and unless enjoined, will continue to violate Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rules 13b2-1 [17 C.F.R. §§ 240.13b2-1].

FIFTH CLAIM
Violations of Rule 13b2-2 of the Exchange Act
(Lying To Auditors)

66. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

67. Defendants violated Rule 13b2-2 of the Exchange Act by, directly or indirectly:

(a) making or causing to be made a materially false or misleading statement to an accountant in connection with; or

(b) omitting to state, or causing another person to omit to state, any material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with:

(1) any audit, review or examination of the financial statements of an issuer; or

(2) the preparation or filing of any document or report required to be filed with the Commission.

68. By reason of the foregoing, Defendants have violated and, unless enjoined, will continue to violate, Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2].

SIXTH CLAIM
Violations of Rule 13a-14 of the Exchange Act
(False Certification of Disclosures in Annual and Quarterly Reports)

69. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

70. Each Defendant, in the manner set forth above, violated Rule 13a-14 of the Exchange Act by, directly or indirectly:

(a) certifying a periodic report containing financial statements filed by an issuer pursuant to Section 13(a) of the Exchange Act when he failed to:

(1) review the report;

(2) ensure, to the best of his knowledge, that the report did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances

under which such statements were made, not misleading with respect to the period covered by the report;

(3) ensure, to the best of his knowledge, that the financial statements, and other financial information included in the report, fairly presented in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in the report;

(4) ensure that he had established and maintained disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), for the issuer and had: (i) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under his supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, was made known to him by others within those entities, particularly during periods in which the periodic report is being prepared; (ii) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report his conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and (iii) disclosed in the report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth quarter in the case of an

annual report) that had materially affected, or was reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) ensure that he disclosed, based on his most recent evaluation of internal control over financial reporting, to the issuer's board of directors (or persons performing the equivalent functions): (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which were reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who had a significant role in the issuer's internal controls over financial reporting; and

(b) having a certification of disclosure, as specified in Exchange Act Rule 13a-14(a), (b) or (c), signed on his behalf pursuant to a power of attorney or other form of confirming authority.

71. By reason of the foregoing, Defendants have violated and, unless enjoined, will continue to violate, Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14].

SEVENTH CLAIM
Aiding and Abetting Quest's Violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13
(Reporting Violations)

72. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

73. Based on the conduct alleged herein, Quest violated Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.

74. Defendants, in the manner set forth above, knowingly provided assistance to Quest, as an issuer of securities pursuant to Section 12 of the Exchange Act, in its failing to file with the Commission, in accordance with the rules and regulations the Commission has prescribed, information and documents required by the Commission to keep reasonably current the information and documents required to be included in or filed with an application or registration statement filed pursuant to Section 12 of the Exchange Act and annual reports and quarterly reports as the Commission has prescribed.

75. By reason of the foregoing, Defendants aided and abetted Quest's violations of, and unless enjoined, will aid and abet further violations of, Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].

EIGHTH CLAIM
Aiding and Abetting Quest's Violations of Exchange Act Sections 13(b)(2)(A) and 13(b)(2)(B) (Record-Keeping/Internal Controls Violations)

76. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

77. Based on the conduct alleged herein, Quest violated Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act.

78. Each Defendant, in the manner set forth above, knowingly or with severe recklessness, provided substantial assistance to Quest in connection with its failure to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected Quest transactions and dispositions of its assets.

79. Defendants, in the manner set forth above, knowingly or with severe recklessness, provided substantial assistance to Quest in connection with its failure to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(1) transactions were recorded as necessary to permit the preparation of financial statements in accordance with GAAP;

(2) transactions were recorded as necessary:

(a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements; and

(b) to maintain accountability for assets;

(3) access to assets was permitted only in accordance with management's general or specific authorization; and

(4) the recorded accountability for assets was compared with the existing assets at reasonable intervals and appropriate action was taken with respect to any differences.

80. By reason of the foregoing, Defendants aided and abetted Quest's violation of, and unless enjoined, will aid and abet further violations of Exchange Act Sections 13(b)(2)(A) and 13(b)(2)(B) [15 U.S.C. §§ 78m(b)(2)(A), (b)(2)(B)].

NINTH CLAIM
Aiding and Abetting Quest's Violations of Exchange Act Section 13(k)
(Prohibition on Personal Loans to Executives)

81. Paragraphs 1 through 50 are re-alleged and incorporated by reference.

82. Based on the conduct alleged herein, Quest violated Section 13(k) of the Exchange Act.

83. Defendants, in the manner set forth above, knowingly or with severe recklessness, provided substantial assistance to Quest in connection with its failure to prohibit, directly or indirectly, the extension or maintenance of credit, the arrangement for the extension of credit, or the renewal of an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof).

84. By reason of the foregoing, Defendants aided and abetted Quest's violations of, and unless enjoined, will aid and abet further violations of, Section 13(k) of the Exchange Act [15 U.S.C. § 78m(k)].

RELIEF REQUESTED

For these reasons, the Commission respectfully requests that the Court:

(a) permanently enjoin Defendants Cash and Gross from violating, directly or indirectly, Section 17(a) of the Securities Act and Sections 10(b), 13(b)(5) and 14(a) of the Exchange Act and Rules 10b-5, 13a-14, 13b2-1, 13b2-2 and 14a-9 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(k) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder;

(b) order Defendants to disgorge an amount equal to the funds and benefits they obtained as a result of the violations alleged, plus prejudgment interest on that amount;

(b) order each Defendant to pay a civil penalty under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)];

(c) prohibit Defendants under Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)]; and

(f) order such further relief as this Court may deem just and proper.

Dated: June 17, 2009

Respectfully submitted,

s/ Jennifer D. Brandt

JENNIFER D. BRANDT
Texas Bar No. 00796242
United States Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, Texas 76102
Telephone: (817) 978-6442
Fax: (817) 978-4927
brandtj@sec.gov
ATTORNEYS FOR PLAINTIFF