

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of Ratheal Companies,)
Rodney Ratheal, Stephen Mitchell,) CEASE AND DESIST ORDER
and any other Officers, Directors,) AND NOTICE OF OPPORTUNITY
Agents, Servants and Employees) FOR HEARING
of Ratheal Companies)

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO RATHEAL COMPANIES, RODNEY RATHEAL, STEPHEN MITCHELL, AND ANY OTHER OFFICERS, DIRECTORS, AGENTS, SERVANTS, AND EMPLOYEES OF RATHEAL COMPANIES:

1. It appears to the Securities Commissioner that Ratheal Companies, Rodney Ratheal, Stephen Mitchell, and any other officers, directors, agents, servants, and employees of Ratheal Companies ("Respondents"), have engaged, are engaging, or are about to engage in certain acts, practices, or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code ("N.D.C.C."). It further appears to the Securities Commissioner that it is necessary or appropriate in the public interest or for the protection of investors to restrain these acts, practices, or transactions.

2. The Respondents have offered for sale, solicited an order or offer to buy, or sold in North Dakota securities in the form of certificates of interest or participation in an oil and/or gas lease.

3. The subject securities have not been registered with the Securities Commissioner under Section 10-04-04, N.D.C.C.; are not exempt securities under Section 10-04-05, N.D.C.C.; and have not been offered for sale or sold in exempt transactions under Section 10-04-06, N.D.C.C.

4. The Respondents are not registered as dealers or salesmen under Section 10-04-10, N.D.C.C.

NOW, THEREFORE, IT IS ORDERED, pursuant to Section 10-04-16, N.D.C.C., that Ratheal Companies, Rodney Ratheal, Stephen Mitchell, and any other officers, directors, agents, servants, and employees of Ratheal Companies immediately cease and desist:

- A. From offering for sale or selling in North Dakota the subject securities, or any other security however denominated of any issuer, unless and until such securities have been registered with the Securities Commissioner; provided, however, that nothing in this part of the order shall apply to exempt securities under Section 10-04-05, N.D.C.C., or to exempt transactions under Section 10-04-06, N.D.C.C.
- B. From offering for sale or selling in North Dakota the subject securities, or any other security however denominated of any issuer, unless and until they have been registered as dealers or salesmen with the Securities Commissioner; provided, however, that nothing in this part of the order shall apply to exempt transactions under Section 10-04-06, N.D.C.C.

YOU ARE NOTIFIED that the above-cited violations, if proven, are sufficient grounds for the imposition of a civil penalty, pursuant to Section 10-04-16, N.D.C.C.

YOU ARE ALSO NOTIFIED that any person aggrieved by this order may request a hearing before the Securities Commissioner if such a request is made within ten days after receipt of this order.

IN TESTIMONY WHEREOF, witness my hand and seal this 19th day of June, 1991

(SEAL)

Glenn Pomeroy
GLENN POMEROY
SECURITIES COMMISSIONER

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Ratheal Companies)	
Rodney Ratheal, Stephen Mitchell,)	<u>AFFIDAVIT OF MAILING</u>
and any other Officers, Directors)	
Agents, Servants and Employees)	
of Ratheal Companies)	

STATE OF NORTH DAKOTA)) ss.
COUNTY OF BURLEIGH)	

Karla Gunderson, being first duly sworn under oath, deposes and says:

1. That she is a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

2. That on the 19th day of June, 1991 she deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following documents:

STIPULATION AND CONSENT TO CEASE AND DESIST ORDER, and CEASE AND DESIST ORDER AND NOTICE OF OPPORTUNITY FOR HEARING

3. That the copies of the above documents were securely enclosed in an envelope, certified mail, return receipt requested, with postage duly prepaid and addressed as follows:

Ratheal Companies
1550 Wynn Joyce Road
Garland TX 75043

4. That to the best of her knowledge, information, and belief, the address given above is the actual post office address of the party intended to be so served.

KSJ
KARLA GUNDERSON

Subscribed and sworn to before me this 19th day of June, 1991.

KSJ
MARGARET BRINTNELL, Notary Public
Burleigh County, North Dakota
My commission expires 8-9-95.