

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of US Petroleum, LLC)

Respondent)

CONSENT AGREEMENT

.....
The North Dakota Securities Commissioner has advised the respondent, US Petroleum, LLC, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent is an issuer of securities headquartered in Kentucky. Respondent is not now and has never been registered as a Broker Dealer in North Dakota. Respondent is not now and has never registered its securities in North Dakota.

2. Golden Eagle Oil is a Florida company owned and operated by James McDaniel.

3. From January to August of 2002, respondent, by and through Golden Eagle Oil and James McDaniel, solicited Steven Christensen, a North Dakota resident, to purchase several oil well related investments as follows:

- a. January 25, paid \$1,190.
- b. February 4, paid \$3,221.
- c. February 26, paid \$12,000.
- d. May 28, paid \$5,000
- e. August 1, paid \$5,000

4. Respondent acknowledges receipt of \$14,000 of the funds described above, which were transferred to respondent from Golden Eagle Oil and Mr. McDaniel, as follows:

- a. March 29, 2002, \$8,000
- b. July 8, 2002, \$3,000
- c. August 5, 2002, \$3,000

The terms of this Consent Agreement are directly based on this representation of the respondent.

5. Pursuant to section 10-04-04 N.D.C.C., no person may offer or sell any securities in this state unless the securities are registered or exempt from registration, or are properly filed as federal covered securities.

6. Pursuant to section 10-04-10 N.D.C.C., no dealer may offer for sale or sell any securities within or from this state unless registered as a dealer, unless the securities are sold through exempt transactions.

7. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.

8. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.

9. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

10. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the signature below.

11. The following Agreement is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS AGREED, THAT:

1. Respondent is assessed a civil penalty of \$20,000 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16. That civil penalty is suspended and shall not be collected if respondent returns the investment of Steven Christensen based on the \$14,000 received by respondents, as described in paragraph 4, above. Such payment will be made as follows:

- a. \$5,000 shall be paid contemporaneous with the entry of this agreement
- b. \$5,000 shall be paid 30 days after the entry of this agreement
- c. The remaining balance shall be paid 60 days after the entry of the agreement. The remaining balance shall be adjusted to include the payment of 6% interest since the inception of the investment (pursuant to section 10-04-17 N.D.C.C.) and may be reduced by the amount of money paid on the investments purchased with those funds.

2. The parties do hereby agree that this agreement does not preclude action based any apparent securities law violations that are not described above, including any sales made to Mr. Christensen which were not disclosed in paragraph 4 above.

3. The Cease and Desist Order, discussed above, shall remain in effect.

4. This Agreement shall be effective upon signature of the Commissioner and of the Respondent below.

Signed and Sealed this 24th day of April, 2003.



Karen J. Tyler
Karen J. Tyler, Securities Commissioner
Office of the Securities Commissioner
State Capitol-5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

Dated this 14th day of ~~March~~ ^{April}, 2003.

US Petroleum, LLC
Route 4, Box 144 X
Monticello, KY 42633

Karla K. Sutton

By: Karla K. Sutton
Its: President

Subscribed and Sworn before me this 14th day of ~~March~~ ^{April}, 2003.

Suzanne P. Stockton

Notary Public

State: KY

County: Wayne

My Commission Expires: 06-06-06

(Notary Seal)