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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Don Brown
4004 Emerson Dr.
Plano, TX 75093-6606

James G. Somma
3030 LBJ Freeway, Suite 1320
Dallas, TX 75234

ORDER WITHDRAWING DESIST AND REFRAIN ORDER

It is hereby ordered that the Desist and Refrain Order issued on June 7, 2010, against Don Brown and James G. Somma, is withdrawn.

Dated: July 13, 2010
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division

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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Don Brown
4004 Emerson Dr.
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James G. Somma
3030 LBJ Freeway, Suite 1320
Dallas, TX 75234

DESIST AND REFRAIN ORDER
(For violations of section 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, US American Resources, Inc. or USAR, Inc. (hereinafter, “USAR”) was a Nevada corporation, incorporated in 2004. John Owen (hereinafter, Owen), a natural person and resident of Texas, was the President, Chief Executive Officer (“CEO”), and Director of USAR. Owen was also CEO of International Energy and Resources, Inc. (hereinafter, IER), a Texas corporation, incorporated in January, 2001, and a wholly owned subsidiary of USAR. Both USAR and IER have principal places of business located at 3839 Briargrove Lane, Suite 6307, Dallas, Texas, 75287.
2. At all relevant times, Don Brown (hereinafter, Brown) was a natural person and a resident of Texas. Brown was the President of IER and the CEO of US American Exploration, Inc., another wholly owned subsidiary of USAR. Brown’s last known business address is 4004 Emerson Dr., Plano, TX 75093-6606.
3. At all relevant times, James G. Somma (hereinafter, “Somma”) was a natural person and a resident of Texas. Somma was the Chief Financial Officer (CFO) of USAR and IER. Somma’s last known business address is 3030 LBJ Freeway, Suite 1320, Dallas, TX 75234.

1 4. On or about June 26, 2006, the California Corporations Commissioner (hereinafter,
2 “Commissioner”) issued a Desist and Refrain Order to USAR, IER, Owen, and others ordering them
3 to stop selling unqualified, non-exempt securities in the State of California and to stop selling
4 securities in California by means of any written or oral communication which included an untrue
5 statements of material fact or omitted to state a material fact necessary in order to make the
6 statements made, in the light of the circumstances under which they were made, not misleading.

7 5. In March, 2007, while the Commissioner’s order was in full effect, Brown and Somma
8 offered and sold securities in California to at least one California resident. The securities were in the
9 form of unsecured, interest-bearing promissory notes issued by USAR.

10 6. These securities were offered and sold in this state in issuer transactions. The Department of
11 Corporations never issued a permit or other form of qualification authorizing any person to offer and
12 sell these securities in this state. Further, the offer and sale of the unsecured, interest-bearing
13 promissory notes were to residents of California who were neither qualified nor accredited investors.

14 7. In connection with these offers and sales, USAR, Brown, and Somma made the following
15 material misrepresentations or omissions:

16 a. Failed to disclose the Commissioner’s June 26, 2006, Desist and Refrain Order
17 prohibiting the offers and sales of securities in the State of California;

18 b. Failed to disclose that on September 7, 2005, the State of Washington, through the
19 Securities Division of its Department of Financial Institutions, filed a “Statement of Charges and
20 Notice of Intent to Enter Order to Cease and Desist and to Impose Fines” against USAR, IER, and
21 two employees of the corporation(s) for, among other things, violating the anti-fraud section of the
22 Securities Act of Washington. On November 29, 2005, USAR, IER, and two of its employees
23 entered into a Consent Order, agreeing to cease and desist from violating the anti-fraud section.
24

25 Based upon the foregoing findings, the California Corporations Commissioner is of the
26 opinion that the unsecured, interest-bearing promissory notes offered and sold by Brown and Somma
27 were securities subject to qualification under the California Corporate Securities Law of 1968 and
28 that these securities were being or have been offered or sold without being qualified in violation of

1 Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of
2 1968, Don Brown and James G. Somma are hereby ordered to desist and refrain from the further
3 offer or sale of securities in the State of California, including but not limited to, unsecured, interest-
4 bearing promissory notes, unless and until qualification has been made under the law or unless
5 exempt.

6 Further, the California Corporations Commissioner is of the opinion that the afore-mentioned
7 securities were offered or sold in this state by means of written or oral communications which
8 included an untrue statement of a material fact or omitted to state a material fact necessary in order to
9 make the statements made, in the light of the circumstances under which they were made, not
10 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to
11 section 25532 of the Corporate Securities Law of 1968, Don Brown and James G. Somma are hereby
12 ordered to desist and refrain from offering or selling or buying or offering to buy any security in the
13 State of California, including but not limited to unsecured, interest-bearing promissory notes, by
14 means of any written or oral communication which includes an untrue statement of a material fact or
15 omits to state a material fact necessary in order to make the statements made, in the light of the
16 circumstances under which they were made, not misleading.

17 This Order is necessary, in the public interest, for the protection of investors and consistent
18 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

19
20 Dated: June 7, 2010
21 Sacramento, California

22 PRESTON DuFAUCHARD
23 California Corporations Commissioner

24
25 By _____
26 ALAN S. WEINGER
27 Deputy Commissioner
28 Enforcement Division