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

**TO:** Ralph O. Berry, III, aka Ralph Berry, President, Secretary, Treasurer, Sole Director, Owner  
Margaret M. Berry, aka Margaret G. Berry, aka Marge Berry, Senior Vice President  
Bill Lawrence  
Berry Resources, Inc.  
Berry Prospect #19, Limited Partnership  
1106 Lovers Lane, Suite A-18  
Bowling Green, KY 42103

**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, Ralph O. Berry, III, also known as Ralph Berry, (hereinafter “Ralph Berry”) was President, Secretary, Treasurer, Sole Director, and “Owner” of Berry Resources, Inc. (hereinafter “Berry Resources”), a Kentucky Corporation formed on April 23, 2001.
2. At all relevant times, Berry Resources was Program Manager of Berry Prospect #19, Limited Partnership (hereinafter “Prospect #19”) formed to raise funds to drill and complete two oil and/or gas wells in Pickett County, Tennessee.
3. At all relevant times, Bill Lawrence and Margaret M. Berry, also known as Margaret G. Berry, also known as Marge Berry (hereinafter “Margaret Berry”) worked for Berry Resources, soliciting investors to invest in Prospect # 19.

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1 4. Beginning in or about April, 2007, Ralph Berry, Berry Resources, Prospect #19, Bill  
2 Lawrence, and Margaret Berry offered or sold securities in the form of investment contracts in units  
3 of Berry Prospect #19, Limited Partnership.

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5 5. Through cold-calls and other means of general solicitation, Ralph Berry, Berry Resources,  
6 Prospect #19, Bill Lawrence, and Margaret Berry offered or sold 30 units at either \$17,000 or  
7 \$17,500 per unit to raise \$510,000. Investors are also told that a call for \$3,000 per unit per well will  
8 be made if the well is deemed productive.

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10 6. The purported purpose of the offering was to raise funds for: 1) drilling two oil and/or gas  
11 wells in Pickett County, Tennessee, 2) choosing the drilling location and/or well site, and 3) entering  
12 into a Turnkey Agreement and an Operating Agreement with Berry Resources for Berry Resources to  
13 act as the operator of the well.

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15 7. These securities were offered or sold in this state in issuer transactions. The Department of  
16 Corporations has not issued a permit or other form of qualification authorizing any person to offer  
17 and sell these securities in this state.

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19 8. In connection with these offers and sales, Ralph Berry, Berry Resources, Prospect #19, Bill  
20 Lawrence, and Margaret Berry represented to investors or omitted to disclose to investors that:

21 a. in 2006 the Kentucky Division of Securities' administrative complaint filed against  
22 Berry Resources and Ralph Berry did not contain allegations of fraud or misrepresentation when the  
23 Complaint and Amended Complaint both contained allegations that sales of interests in oil and gas  
24 well exploration programs were made using offering materials which failed to contain material facts  
25 or misstated facts essential to the investment decision. Further, the opinion of the Kentucky Division  
26 of Securities in the Settlement Agreement with Berry Resources and Ralph Berry was that the  
27 offering materials for such programs failed to provide full disclosure;

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1           b.       a settlement agreement with the Kentucky Division of Securities' administrative  
2 complaint was still in the process of being completed when in fact the Settlement Agreement, which  
3 contained acknowledgements by Berry Resources and Ralph Berry of failing to provide full  
4 disclosures to investors, had already been executed;

5           c.       in 2005 the Indiana Securities Commission filed a "cease and desist complaint", but  
6 that the individual involved with that placement is no longer with Berry Resources, when in fact  
7 Indiana State's Office of the Secretary of State, Securities Division filed an Administrative  
8 Complaint on May 5, 2005 against a Doug Collins in addition to Respondents Berry Resources, Inc.  
9 and Ralph O. Berry, III, both of whom are offering the present investment;

10          d.       the Indiana Securities Commission's 2005 "cease and desist complaint" contained no  
11 allegations of any fraud or misrepresentations, when in fact the Administrative Complaint that was  
12 filed alleged material misrepresentations and/or omissions of facts in connection with the offer and  
13 sale of securities in an oil and gas venture. Further, based on the Administrative Complaint,  
14 Indiana's Office of the Secretary of State, Securities Division issued a Cease and Desist Order against  
15 both Berry Resources and Ralph Berry on May 5, 2005, ordering them to stop violating the antifraud  
16 provisions of the Indiana Securities Act; and

17          e.       In June, 1997, the State of Pennsylvania also issued a Cease and Desist Order against  
18 Ralph O. Berry, III for securities law violations involving oil and gas wells, although this was not  
19 disclosed to investors who were solicited to invest in Prospect #19.

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21               Based upon the foregoing findings, the California Corporations Commissioner is of the  
22 opinion that the units of Prospect #19 are securities subject to qualification under the California  
23 Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified  
24 in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate  
25 Securities Law of 1968, Ralph O. Berry, III, Berry Resources, Inc., Berry Prospect #19, Limited  
26 Partnership, Bill Lawrence, and Margaret M. Berry are hereby ordered to desist and refrain from the  
27 further offer or sale in the State of California of securities, including but not limited to investment  
28 contracts in the form of units, unless and until qualification has been made under the law, unless

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

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4 Further, the California Corporations Commissioner is of the opinion that the securities of  
5 Berry Prospect # 19 were offered or sold in this state by means of written or oral communications  
6 which included an untrue statement of a material fact or omitted to state a material fact necessary in  
7 order to make the statements made, in the light of the circumstances under which they were made, not  
8 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to  
9 section 25532 of the Corporate Securities Law of 1968, Ralph O. Berry, III, Berry Resources, Inc.,  
10 Berry Prospect #19, Limited Partnership, Bill Lawrence, and Margaret M. Berry are hereby ordered  
11 to desist and refrain from offering or selling or buying or offering to buy any security in the State of  
12 California, including but not limited to investment contracts in the form of units, by means of any  
13 written or oral communication which includes an untrue statement of a material fact or omits to state  
14 a material fact necessary in order to make the statements made, in the light of the circumstances  
15 under which they were made, not misleading. This Order is necessary, in the public interest, for the  
16 protection of investors and consistent with the purposes, policies, and provisions of the Corporate  
17 Securities Law of 1968.

18 Dated: October 24, 2007  
19 Sacramento, California

20 PRESTON DuFAUCHARD  
21 California Corporations Commissioner

22  
23 By \_\_\_\_\_  
24 ALAN S. WEINGER  
25 Lead Corporations Counsel  
26 Enforcement Division  
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