

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: Fortune Oil & Gas, Ltd.
5 Russell L. Vera
6 12275 FM 1097 Road W
7 Willis, Texas 77318

8 **DESIST AND REFRAIN ORDER**
9 **(For Violations of Section 25110 of the Corporations Code)**

10 The California Commissioner of Business Oversight (“Commissioner”) finds that:

11 1. At all relevant times herein, Fortune Oil & Gas, Ltd. (“Fortune Oil”) is a Texas limited
12 partnership, with its primary place of business located at 12275 FM 1097 Road W, Willis, Texas.

13 2. Fortune Oil maintains a website at www.petrofortune.com. Fortune Oil claims on its
14 company website that it is “primarily engaged in the upstream activities of acquiring, discovering,
15 developing and operating production of oil and gas.”

16 3. According to its offering materials, Russell L. Vera (“Vera”) is the sole director and
17 sole shareholder of Fortune Oil.

18 4. Fortune Oil claims that it has organized 37 oil and gas drilling programs.

19 5. Vera, with Fortune Oil as managing general partner, offered units of partnership
20 interests in four oil drilling projects to California residents: Fortune Edwards Limited Partnership,
21 Ltd.; Pecan Gap 1 Joint Venture; Pecan Gap 2A Limited Partnership, Ltd.; and DG Tiller No. 1
22 Limited Partnership, Ltd.

23 6. As part of an effort to obtain funding for the drilling projects, Fortune Oil and Vera
24 solicited investors by making face-to-face presentations to potential investors at events such as The
25 Moneyshow and FreedomFest. The MoneyShow is advertised as an “unmatched experience of
26 meeting world-renowned experts face to face. Only in this dynamic marketplace can you interact on a
27 personal level with top market gurus, leading financial services companies, and elite financial media
28 partners.” FreedomFest is billed as “an annual festival where free minds meet to celebrate ‘great

1 books, great ideas, and great thinkers’ in an open-minded society.” Fortune Oil set up booths and
2 hospitality suites at both The MoneyShow and FreedomFest to make sales pitches to California
3 investors.

4 7. Beginning in at least 2009, Fortune Oil and Vera offered and sold securities in the
5 form of interests in limited partnerships labeled “units” and/or certificates of interest or participation
6 in an oil, gas or mining title or lease or in payments out of production under that title or lease to at
7 least 12 California investors, from whom Fortune Oil raised a total of at least \$1,278,025.

8 8. The interests in limited partnerships labeled “units” and/or certificates of interest or
9 participation in an oil, gas or mining title or lease or in payments out of production under that title or
10 lease were offered in this State in issuer transactions. The Department has not issued a permit or other
11 form of qualification authorizing any person to offer or sell these securities in this State.

12 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
13 that the securities in the form of interests in limited partnerships labeled “units” and/or certificates of
14 interest or participation in an oil, gas or mining title or lease or in payments out of production under
15 that title or lease offered by Fortune Oil & Gas, Ltd. and Russell L. Vera are securities subject to
16 qualification under the Corporate Securities Law of 1968 and are being or have been sold without
17 first being qualified. Under Corporations Code section 25532, Fortune Oil & Gas, Ltd. and Russell L.
18 Vera are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
19 security in the State of California, including but not limited to interests in limited-liability
20 partnerships labeled “units” and/or certificates of interest or participation in an oil, gas or mining title
21 or lease or in payments out of production under that title or lease unless and until qualification has
22 been made under this law or unless exempt.

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

Dated: August 22, 2014
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division