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California Corporations Commissioner  
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9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA

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| 11 In the Matter of                         | ) OAH No. 2011080429                        |
|   | ) Agency No. 10782                          |
| 12 THE CALIFORNIA CORPORATIONS              | )   |
| COMMISSIONER,                               | )   |
| 13  | ) STIPULATION TO DESIST AND REFRAIN         |
| Complainant,                                | ) ORDER (CORP CODE §25532) AND TO PAY       |
| 14  | ) ADMINISTRATIVE PENALTIES (CORP            |
| v.  | ) CODE §25252) AND ANCILLARY RELIEF         |
| 15  | ) (CORP CODE §25254) FOR VIOLATIONS OF      |
| RALPH O. BERRY III, aka Ralph O. Berry, aka | ) CORPORATIONS CODE §§ 25110, 25210,        |
| 16 Ralph Berry, BILL LAWRENCE, BERRY        | ) 25401 AND COMMISSIONER’S ORDER            |
| RESOURCES, INC., and BERRY PROSPECT         | )   |
| 17 #21, KENTUCKY LIMITED PARTNERSHIP,       | ) Date: February 21, 2012                   |
|   | ) Time: 9:00 a.m.                           |
| 18 Respondents.                             | ) Place: 2349 Gateway Oaks Drive, Suite 200 |
|   | ) Sacramento, CA 95833                      |

19  
20 IT IS HEREBY STIPULATED BY AND BETWEEN THE RESPONDENTS RALPH O. BERRY  
21 III, aka Ralph O. Berry, aka Ralph Berry (“BERRY”), BERRY RESOURCES, INC. (“BERRY  
22 RESOURCES”), and BERRY PROSPECT #21, KENTUCKY LIMITED PARTNERSHIP (“BERRY  
23 PROSPECT”) AND JAN LYNN OWEN, COMMISSIONER OF CORPORATIONS OF THE  
24 STATE OF CALIFORNIA (“COMMISSIONER”), THROUGH THEIR COUNSEL OF RECORD  
25 AS FOLLOWS:

26 On April 5, 2011, the COMMISSIONER issued a Statement in Support of Order Levying  
27 Administrative Penalties (Corporations Code section 25252); Claim for Ancillary Relief

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1  
STIPULATION TO DESIST AND REFRAIN ORDER (CORP CODE § 25532) AND TO PAY ADMINISTRATIVE  
PENALTIES (CORP CODE §25252) AND ANCILLARY RELIEF (CORP CODE §25254) FOR VIOLATIONS OF  
CORPORATIONS CODE §§ 25110, 25210, 25401 AND COMMISSIONER’S ORDER

1 (Corporations Code section 25254); and a Desist and Refrain Order (Corporations Code section  
2 25532) (“COMMISSIONER’S Action”) against RESPONDENTS requiring them to pay  
3 administrative penalties, restitution, and attorneys fees for violations of the Commissioner’s Desist  
4 and Refrain Order issued on October 24, 2007 and for violations of Corporations Code sections  
5 25110, 25210 and 25401.

6 On June 24, 2011, RESPONDENTS BERRY, BERRY RESOURCES, and BERRY  
7 PROSPECT made a request pursuant to Corporations Code section 25532 for an administrative  
8 hearing to challenge the COMMISSIONER’S Action. The hearing is set for February 21, 2012.

9  
10 WHEREFORE, RESPONDENTS BERRY, BERRY RESOURCES, and BERRY  
11 PROSPECT hereby voluntarily withdraw their request for a hearing and agree to waive any rights to  
12 challenge or appeal the COMMISSIONER’S Action, and without admitting or denying do hereby  
13 stipulate as follows:

14 A. RESPONDENTS represent that:

- 15 1.) they have ceased from offering or selling securities in the State of California, including  
16 but not limited to investment contracts in the form of units in BERRY PROSPECT, unless  
17 and until qualification has been made under the law, or unless exempt;
- 18 2.) they have ceased from effecting any transaction in, or inducing or attempting to induce the  
19 purchase or sale of, any security in this state, unless and until they have applied for and  
20 secured from the Commissioner a certificate, then in effect, authorizing these person to act  
21 in that capacity, or unless exempt.
- 22 3.) They have ceased from offering or selling or buying or offering to buy any security in the  
23 State of California by means of any written or oral communication which includes an  
24 untrue statement of material fact or omits to state a material fact necessary in order to  
25 make the statements made, in the light of the circumstances under which they were made,  
26 not misleading.

1 B. RESPONDENTS agree to the pay restitution by cashier's check no later than August 14,  
2 2012 in the amount of \$21,700.00 (twenty-one thousand seven-hundred) to California  
3 resident Thomas J. Murphy for the return of his investment of \$14,000 plus the legal rate  
4 of interest of ten percent (10%) per year since February, 2008. Respondents agree to  
5 provide a copy of the cashier's check as proof of payment to the Department no later than  
6 August 14, 2012 to:

7 Lindsay B. Herrick, Corporations Counsel  
8 California Department of Corporations  
9 1515 K Street, Suite 200  
10 Sacramento, CA 95814

11 C. RESPONDENTS agree to pay administrative penalties by cashier's check made payable  
12 to the California Department of Corporations no later than August 14, 2012 in the amount  
13 of \$5,000.00 for their violation of the Commissioner's Desist and Refrain Order issued  
14 October 24, 2007 and for their violations of Corporations Code sections 25110, 25210,  
15 and 25401 of the Corporate Securities Law of 1968. Respondents agree to submit their  
16 payment to the attention of Lindsay B. Herrick, Corporations Counsel, at address stated  
17 above.

18 D. RESPONDENTS agree that if they violate any term of this Stipulation, they hereby  
19 consent to a final order of the Commissioner as provided in the COMMISSIONER'S  
20 Action issued on April 5, 2011, and waive any right to challenge or appeal such final  
21 order. RESPONDENTS understand and agree that any final order of the  
22 COMMISSIONER may result in a civil judgment against them, individually, jointly or  
23 severally pursuant to the terms of the COMMISSIONER'S Action and/or any civil  
24 judgment. RESPONDENTS further understand and agree that the COMMISSIONER is  
25 not precluded from taking future action against any of the RESPONDENTS if they are  
26 found to have committed any future violations.

In return, the COMMISSIONER will withdraw from calendar this matter before the Office of Administrative Hearings, and waive her right to proceed with the hearing as a default under California Code of Regulations section 1014(c) whereby a decision and public evidentiary record in support of the final order may be obtained.

Dated: February 14, 2012

JAN LYNN OWEN  
California Corporations Commissioner

By: \_\_\_\_\_  
ALAN S. WEINGER  
Deputy Commissioner

Dated: 2/29/12

By: \_\_\_\_\_  
RALPH O. BERRY III, aka Ralph O. Berry, aka Ralph Berry  
Respondent

Dated: 2/29/12

By: \_\_\_\_\_  
BERRY RESOURCES, INC. by Ralph O. Berry, President  
Respondent

Dated: 2/29/12

By: \_\_\_\_\_  
BERRY PROSPECT #21, KENTUCKY LIMITED PARTNERSHIP by Ralph O. Berry on behalf of Berry Resources, Inc., Managing General Partner  
Respondent

By: \_\_\_\_\_  
HUNTER DURHAM  
Attorney for Respondents  
Approved as to Form