State of California - Department of Corporations

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

TO: Sam Peter Frees, President and Manager
E. Daryl Magette, President and Manager
Fusion Exploration, LLC
1201 Dove Street, Suite 475
Newport Beach, CA 92660
and
1000 Bristol Street, Suite 126
Newport Beach, CA 92660

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

The California Corporations Commissioner finds that:

1. Fusion Exploration, LLC ("Fusion Exploration") is a limited liability company formed under the laws of Delaware on October 11, 2011. Its principal place of business is 1201 Dove Street, Suite 475, Newport Beach, CA 92660. It also has or had a principal place of business at 1000 Bristol Street, Suite 126, Newport Beach, CA 92660.

2. At all relevant times, Sam Peter Frees ("Frees") and E. Daryl Magette ("Magette") were both presidents and managers of Fusion Exploration.

3. According to its offering materials, Fusion Exploration raises funds for investment in oil and gas projects.

4. Beginning in 2012 or earlier, Frees, Magette, Fusion Exploration, directly and through their agents, offered and sold securities in the form of investment contracts to residents of California and elsewhere. The investment contracts are described in Fusion Exploration's offering materials as units of working interest in oil and gas projects.

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

6. Frees, Magette, Fusion Exploration, and their agents offered and sold these securities by means of general solicitation, including but not limited to telephone cold-calls to individuals with whom they had no preexisting relationship.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the investment contracts that are being or have been offered or sold by Sam Peter Frees, E. Daryl Magette, and Fusion Exploration, LLC are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to Corporations Code section 25532, Sam Peter Frees, E. Daryl Magette, and Fusion Exploration, LLC are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to investment contracts, unless and until qualification has been made under the law or unless exempt.

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: April 29, 2013
Sacramento, California

JAN LYNN OWEN
Commissioner of Corporations

By_____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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