

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
FOSTER OIL & GAS, WILLIAM H. FOSTER, JR.
and JAMES ROBERT "J.R." HUMPHREY,

PETITION FOR ORDER

Respondents.

File No. S-01111(EX)

The staff of the Enforcement Unit, Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Foster Oil & Gas ("FOG") is a foreign business entity with a last known business address of 201 W. Main, #4D, Independence, KS 67301.
2. William H. Foster Jr. ("Foster") is an individual who at all times material hereto has been the owner and controlling person of FOG, with a last known business address at that of FOG.
3. James Robert "J.R." Humphrey ("Humphrey") is an individual who at all times material hereto has been an agent of FOG and Foster, with a last known business address of 2761 E. Skelly Dr., Ste 700, Tulsa, OK 74105.
4. During the period of May and June 2001, Humphrey, on behalf of FOG and Foster, offered to at least one person in Wisconsin working interests in oil and gas wells of FOG.
5. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities.
6. The working interests offered by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.
7. The FOG investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
8. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
9. In connection with the offers of the securities described above, Humphrey transacted business in Wisconsin as an "agent" for FOG and Foster, as that term is defined by sec. 551.02(2), Wis. Stats.
10. At no time has Humphrey been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
11. Humphrey has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

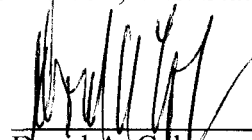
12. FOG and Foster have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.

13. During the offer referenced in paragraph 4 above, Humphrey, after having been informed that the offeree was not an accredited investor:

- stated that there were many ways of getting around the “accredited investor thing;”
- informed the offeree that he did not have to be an accredited investor to participate in the offering; and
- directed the offeree to identify himself as an accredited investor on the FOG subscription document, which was paperwork just for the files of FOG;

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.


 Susan A. Kittel Moore Date
 Legal Assistant
 Enforcement Unit


 David A. Cohen 8/21/01
 Supervising Attorney Date
 Enforcement Unit

FBEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
FOSTER OIL & GAS,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-01111(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order I find that this action is necessary and appropriate in the public interest and for the protection of investors;

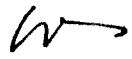
Therefore, pursuant to sec. 551.63, Wis. Stats.,

IT IS ORDERED THAT:

- a. Foster Oil & Gas, its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on its behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute, or properly exempted therefrom.
- b. Foster Oil & Gas, its successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on its behalf, are prohibited from employing an agent to represent them in Wisconsin unless the agent is licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin, this 24th day of August, 2001.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE

You are advised that any wilful violation of an Order issued by the Administrator of the Division of Securities of the Department of Financial Institutions of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
WILLIAM H. FOSTER, JR.,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-01111(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to sec. 551.63, Wis. Stats.,

IT IS ORDERED THAT:

- a. William H Foster, Jr., his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute, or properly exempted therefrom.
- b. William H Foster, Jr., his agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on his behalf, are prohibited from employing an agent to represent them in Wisconsin unless the agent is licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin, this 24th day of August, 2001.

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BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
JAMES ROBERT "J.R." HUMPHREY,

Respondent.

ORDER OF PROHIBITION
(CONSENT)

File No. S-01111(EX)

Based upon the attached Petition for Order and Waiver and Consent to Order I find that this action is necessary and appropriate in the public interest and for the protection of investors;

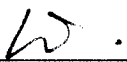
Therefore, pursuant to sec. 551.63, Wis. Stats.,

IT IS ORDERED THAT:

- a. James Robert "J.R." Humphrey, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities are registered under Ch. 551, Wis. Stats., or successor statute, or properly exempted therefrom.
- b. James Robert "J.R." Humphrey is prohibited from transacting business as a securities agent in Wisconsin unless licensed under Ch. 551, Wis. Stats., or successor statute, or excepted from the licensing requirement.

EXECUTED at Madison, Wisconsin, this 24th day of August, 2001.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

NOTICE

You are advised that any wilful violation of an Order issued by the Administrator of the Division of Securities of the Department of Financial Institutions of the State of Wisconsin under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
FOSTER OIL & GAS,

Respondent.

WAIVER AND CONSENT
TO ORDER

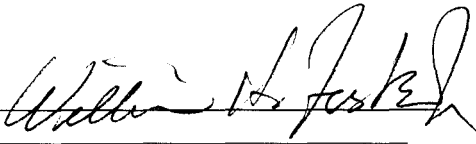
File No. S- 01111(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives its right to a hearing with respect to this matter and hereby consents to the issuance of the Order;

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a wilful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 14th day of August, 2001.

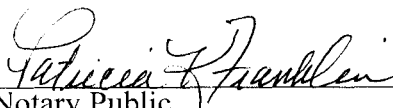
FOSTER OIL & GAS

by 

owner
(Type name and title)

State of Oklahoma)
County of Tulsa)

Subscribed before me this
14th day of August, 2001.


Notary Public

My commission expires Dec 5, 2001

BEFORE THE
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES
STATE OF WISCONSIN

In the Matter of
WILLIAM H. FOSTER, JR.,

Respondent.

WAIVER AND CONSENT
TO ORDER

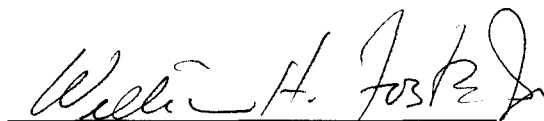
File No. S-01111(EX)

The undersigned Respondent, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter and hereby consents to the issuance of the Order;

The undersigned Respondent understands that the Order is effective when signed by the Administrator of the Division of Securities and that a wilful violation of an Order signed by the Administrator is a criminal offense.

EXECUTED this 14th day of August, 2001.

WILLIAM H. FOSTER, JR.



William H. Foster, Jr.
(DOB)

State of Oklahoma)
County of Tulsa)

Subscribed before me this

14th day of August, 2001.


Notary Public

My commission expires Dec 5, 2001

BEFORE THE
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES
STATE OF WISCONSIN

In the Matter of
JAMES ROBERT "J.R." HUMPHREY,

Respondent.

WAIVER AND CONSENT
TO ORDER

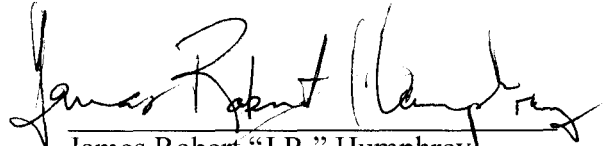
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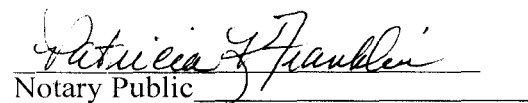
JAMES ROBERT "J.R." HUMPHREY


James Robert "J.R." Humphrey
(DOB)

State of Oklahoma)
County of Tulsa)

Subscribed before me this

14th day of August, 2001.


Notary Public

My commission expires Dec 5, 2001