

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
TEXON ENERGY CORP. INC.)
BILL SMITH)
BARRY V. REED)
)
_____RESPONDENTS_____)

ADMINISTRATIVE ORDER
NO. CD-2002-0025

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offer and sale of securities into, within, or from the State of Alabama, has determined as follows:

RESPONDENTS

1. TEXON ENERGY CORPORATION ("RESPONDENT TEXON") is a Nevada Corporation, with a business address of 7469 West Lake Mead Road, Suite 200 Las Vegas Nevada 89128.
2. BILL SMITH ("RESPONDENT SMITH") is an unregistered agent of Texon Energy Corporation with a business address of 7469 West Lake Mead Road, Suite.200 Las Vegas, Nevada.
3. BARRY V. REED ("RESPONDENT REED") is a founding member, principal, and Agent of Texon Energy Corporation with a business address of 7469 West Lake Mead.Road, Suite 200 Las Vegas, Nevada 89128.

STATEMENT OF FACTS

4. The Commission is in receipt of information that RESPONDENTS SMITH and REED, engaged in the offer and/or sale of securities to wit: One Hundred Fifty (150,000) shares of Preferred Stock, at \$10.00 per share of Respondent TEXON ENERGY CORPORATION to Alabama residents. The listed Respondents are not registered as Securities Agents in the state of Alabama.

5. A review of the registration files of the Alabama Securities Commission disclosed no record of registration pertaining to RESPONDENT TEXON, as a securities dealer in the state of Alabama.

6. A review of the registration files of the Alabama Securities Commission, disclose no record of registration, nor exemption from registration, of the securities of Respondents TEXON.

CONCLUSIONS OF LAW

7. RESPONDENTS TEXON, SMITH and REED are not registered as securities agents or dealers in the state of Alabama. Transacting business in the State of Alabama while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

8. The securities of RESPONDENT TEXON sold by RESPONDENTS SMITH and REED, as set forth in paragraph 8 above, are not registered, nor exempt from registration in the state of Alabama.

9. The sale of unregistered, non-exempt securities into, within, or from the state of Alabama is a violation of § 8-6-4, Code of Alabama, 1975.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purpose of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that, RESPONDENTS TEXON ENERGY CORPORATION INC, BILL SMITH, BARRY V. REED immediately CEASE AND DESIST from further offers or sales of any security into, within, or from the State of Alabama.

Entered at Montgomery, Alabama, this 18 day of November, 2002.



ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized and extends to the right.

JOSEPH P. BORG
Director