

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

NORTH AMERICAN RESOURCE GROUP )  
JACKIE FISH )  
TOM EMBERTON, JR ) ADMINISTRATIVE ORDER  
ALAN MURRELL ) NO CD-2006-0018A  
DOUGLAS SMITH )  
RESPONDENTS )

AMENDED 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 ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. NORTH AMERICAN RESOURCE GROUP ("NARG") is a Tennessee Corporation with a business address of 219 Reynolds Road, Glasgow, Kentucky, 42141

2. JACKIE FISH ("FISH"), at all times relevant, was a representative of NARG, with a business address of 219 Reynolds Road, Glasgow, Kentucky, 42141

3. TOM EMBERTON, JR ("EMBERTON"), at all times relevant, is an Executive Vice President of NARG, with a business address of 219 Reynolds Road, Glasgow, Kentucky, 42141.

4. ALAN MURRELL ("MURRELL"), at all times relevant, is shown as the President of NARG, with a business address of 219 Reynolds Road, Glasgow, Kentucky, 42141.

5. DOUGLAS SMITH ("SMITH"), at all times relevant, is shown as the Vice President of NARG, with a business address of 219 Reynolds Road, Glasgow, Kentucky, 42141.

## STATEMENT OF FACTS

6. The Commission is in receipt of information that in August of 2004, unregistered representatives of NARG, cold called an Alabama resident and engaged in the offer of and/or sale of unregistered securities, to wit: "Units" of NARG – Huddleston Annex Prospect and Rocky Ridge JV oil and gas well interests, of NARG. Multiple sales were made in which the Alabama resident invested a total of \$68,000.00.

7. A review of the files of the Commission, disclosed that NARG did file for an exemption under Reg D Rule 506 with the U.S. Securities and Exchange Commission on November 2, 2004, and the Alabama Securities Commission on November 16, 2004. However; the filings were after the stated sales were made.

8. Information made available to the Commission indicates that FISH made a general solicitation ("cold call") to an Alabama investor. This conduct is in violation of the United States Securities and Exchange Regulation 230.502(c), regarding Limitation on Manner of Offering. The exemption for registration concerning Reg. D 506 (Limited Offering) is conditional to the issuer abiding by the rules against general solicitation.

9. Offering materials were also mailed to the Alabama resident by representatives of NARG. The materials indicated that EMBERTON was the Executive Vice President of NARG. EMBERTON was also listed on the Rule 506 filing as a Promoter, Beneficial Owner, Executive Officer, and Director of NARG. A review of the Commission files disclosed that EMBERTON was neither registered nor exempt from registration to sell securities in Alabama prior to the 506 filing.

10. Commission records show that MURRELL was also listed on the Rule 506 filing as a Promoter, Executive Officer, and Director of NARG. A review of the Commission files disclosed that MURRELL was neither registered nor exempt from registration to sell securities in Alabama prior to the 506 filing.

11. Further search of CRD revealed that MURRELL was issued a Cease and Desist order from the State of Missouri in 2001 (Order #CD-01-17) for cold calling a resident of Missouri. MURRELL was also issued a Cease and Desist order from the State of Pennsylvania in 2003 (Docket #2003-04-36) for cold calling a resident of Pennsylvania.

12. A review of the Commission files disclosed that SMITH was neither registered nor exempt from registration to sell securities in Alabama prior to the 506 filing.

13. A search of the Central Registration Depository shows no record of registration for FISH, EMBERTON, SMITH, or MURRELL as securities brokers or dealers.

14. Interviews with the Alabama resident clearly demonstrated that he was not sophisticated in the terms of the offered product, oil and gas well ventures. The interviews further confirmed that the Alabama resident did not initiate these transactions and did not have a pre-existing relationship with NARG, FISH, EMBERTON, SMITH, or MURRELL.

#### CONCLUSIONS OF LAW

15. The Participation Agreements offered and sold by the RESPONDENTS to the Alabama resident are securities. Section 8-6-2 (10), Code of Alabama 1975, defines a certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease, or any right to subscribe to any of the foregoing, as a security.

16. The violation committed by FISH, the cold calls, voids any exemption claimed by NARG concerning the offering of common stock in the private placement memorandum issued by the company; United States Securities and Exchange Regulation 230.502(c), regarding Limitation on Manner of Offering.

17. The securities offered and sold by FISH were neither registered nor exempt from registration in Alabama at the time of solicitation or sale and thus, in violation of Section 8-6-4, Code of Alabama 1975 which states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11."

18. Because of the above described conduct, NARG, FISH, EMBERTON, SMITH, and MURRELL are in violation Section 8-6-3 (a), Code of Alabama 1975 states: "It is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article. It is unlawful for any dealer or issuer to employ an agent unless the agent is registered."

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

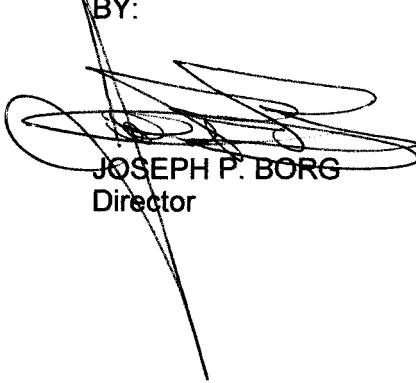
This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS 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 16<sup>th</sup> day of April, 2006.

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

  
JOSEPH P. BORG  
Director

