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

In the Matter of YOUNG OIL CORPORATION, ANTHONY L. YOUNG, and TAREQ R. AL-ABASSI,	PETITION FOR ORDER
Respondents.	File No. S-04201(EX)

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

1. Young Oil Corporation ("Young Oil") is a foreign business entity with a last known business address of 154 A. Young Rd., Knob Lick, KY 42154.

2. Anthony L. Young ("Young") is an individual who at all times material hereto has been President, CEO and Treasurer of Young Oil, with a last known business address at that of Young Oil.

3. Tareq R. Al-Abassi ("Al-Abassi") is an individual who at all times material hereto has been an agent of Young Oil, Young, Jeffries, and Beasley, with a last known business address at that of Young Oil.

4. On August 30, 2001, Al-Abassi, on behalf of Young Oil and Young, offered and sold to at least one person in Wisconsin a partnership unit in an oil and gas well drilling venture, the Metcalfe Prospect No. 26 ("Metcalfe").

5. The person in Wisconsin referred to above had no preexisting relationship with any of the Respondents and was contacted by Al-Abassi via an unsolicited telephone call.

6. Upon information and belief, investors can play a passive role in the prospect with no duties and responsibilities.

7. Upon information and belief, each investor will not be involved in the day-to-day management of Metcalfe, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.

8. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the "units" 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.

9. In connection with the offers of the securities described above, Al-Abassi transacted business in Wisconsin as an "agent" for Young Oil and Young as that term is defined by sec. 551.02(2), Wis. Stats.

10. At no time has Al-Abassi been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

11. Al-Abassi has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

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

13. On October 26, 2001, the Division of Securities received a completed and signed copy of federal Form D Notice of Sale of Securities Pursuant to Regulation D, Section 4(2), Rule 506 filed by Metcalfe showing that a sale had been made to one accredited investor in Wisconsin ("the Form D."

14. The Form D was not timely filed within 15 days of the sale to the Wisconsin investor (by September 14, 2001).

15. On September 3, 2004, the *Los Angeles Times* published an article by Ellen Barry about Young Oil and Young entitled "Oil in Tennessee?" which states:

> These days, Young has an office in Knob Lick, where six employees make cold calls to potential investors. They dial numbers off "lead lists" of people with a history of investing in high-risk ventures, such as gold mining or film production. Cold calling accounts for about 35 percent of his investors, he said; the rest are repeat or word-of-mouth business, he said.
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> Among the things he has learned is that for investors -- retirees, widowers and desk jockeys -- investing in distant oil wells is about romance, not financial strategy. Young sends them videos of himself in the Tennessee woods beside the bobbing head of a pump jack.
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> "They want someone that's not just sitting in a plush office all day," he said. Old people, especially, "love the old country accent."

16. Upon information and belief, the Wisconsin offeree was cold-called by an unlicensed person with whom they had no preexisting relationship, in violation of section 4(2)'s ban on general solicitation.

17. The Metcalfe investment contracts did not qualify for Reg D exemption from registration and have therefore never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

18. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.

19. On January 22, 1999, Young Oil and Young entered into a Memorandum of Understanding with the Kansas Securities Commissioner whereby they agreed not to offer or sell securities in the State of Kansas in the future and to comply with the Kansas Securities Act.

20. On April 7, 1999, the Pennsylvania Securities Commission ordered Young Oil and Young to comply with a Pennsylvania Commonwealth Court Injunction effective March 4, 1998 in which Anthony L. Young was named as a respondent, and to comply with Pennsylvania's Securities Law, based on findings of fraud in the offer and sale of unregistered securities.

21. In connection with the offer and sale of the securities described in Paragraph 6, the Respondents omitted to disclose the issuance of the orders referred to in Paragraphs 21 and 22.

22. All Respondents have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which

they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

23. On January 16, 2003, the Kansas Securities Commissioner issued an Administrative Order against Young Oil and Young based on allegations of violations of securities law in the offer and sale of oil and gas partnership units.

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

9/6/05

David A. Cohen
Supervising Attorney
Bureau of Registration & Enforcement

Date