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

In the Matter of
RIVERDALE ENERGY CORPORATION,
AND JOSEPH FRANCO,

Respondents.

PETITION FOR ORDER

File No. S-05197(EX)

The staff of the 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. Riverdale Energy Corporation ("Riverdale") is a foreign business entity with a last known business address of 16152 Beach Boulevard, Suite 231, Huntington Beach, California 92647.

2. Joseph Franco ("Franco") who at all times material has been an agent of Riverdale and Kingsfield, with a last known home address of 1975 Sherington Place, H-109, Newport Beach, California 92663, and a last known business address at that of Riverdale.

3. During the period of October 2005, Franco, on behalf of Riverdale, offered to at least one person in Wisconsin the opportunity to invest in an oil and gas well drilling venture of Riverdale.

4. Upon information and belief, the person in Wisconsin referred to above was cold called and had no preexisting relationship with any of the respondents, in violation on Reg. D's ban on general solicitation.

5. Upon information and belief, investors play a passive role in the company with no duties and responsibilities.

6. Upon information and belief, each investor will not be involved in the day to day management of the oil and gas well drilling ventures of Riverdale, 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.

7. 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 investments 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.

8. The Riverdale investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

9. All respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

10. In connection with the offer and sale of securities described above, Franco transacted business in Wisconsin as an "agent" for Riverdale, as that term is defined by sec. 551.02(2), Wis. Stats.

11. At no time material hereto was Franco licensed as a securities agent in Wisconsin pursuant to 551, Wis. Stats.

12. Franco violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

13. Riverdale has violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent, Franco, to represent them in Wisconsin.

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.

Gregory L. Kipfer — Dec. 28, 2005
Gregory L. Kipfer — Date
Examiner
Enforcement Unit

1/5/06
David A. Cohen — Date
Supervising Attorney
Enforcement Unit