



## NEWS RELEASE

For Immediate Release - October 19, 2009

Contact: Fred J. Joseph, Securities Commissioner or Gerald Rome,  
Deputy Securities Commissioner at (303) 894-2320

### **Texas Oil and Gas Company Sanctioned By Securities Commissioner**

**Denver, Colorado** --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered a final cease and desist order against a Texas oil and gas company for allegedly violating the securities registration and licensing provisions of the Colorado Securities Act (“Act”) in connection with the offer of securities in and from Colorado.

Named in the Order are **Regal Energy, LLC**, its Chief Executive Officer, co-founder, owner, and control person, **Brian Hardwick**, and its sales representative, **John Michael Peddecord, II**, all of Plano, Texas.

The Staff of the Division of Securities (the “Staff”) alleged that in July of 2009, the Respondents attempted to sell investments in oil and gas related ventures in wells to be drilled in Johnson County, Texas, by cold calling investors in Colorado. The Staff alleged that the Respondents promoted the investments by stating that the investment would pay a 20-40% return annually for 20 to 30 years. Respondents stated that wells in Johnson County, TX had the “best chance of hitting” and being a “big successful well.” Further, they promoted the investment by stating that Regal had not drilled a dry hole and there was a less than 1% chance of hitting a dry hole in Johnson County due to the Barnett Shale.

The Staff alleged that the offer of these joint venture interests in these oil and gas drilling programs were securities, and they were not registered, or exempt from registration, and were attempted to be sold without the proper license, in violation of the registration and licensing provisions of the Act.

The cease and desist order, which Regal, Peddecord and Hardwick agreed to, orders them to immediately and permanently cease and desist offering or selling any “security” in or from the State of Colorado in violation of the anti-fraud, registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act.

A copy of the Order can be found at:

<http://www.dora.state.co.us/securities/enforcement.htm#CeaseDesist>

*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*

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