

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

_____))
IN THE MATTER OF: SIGNAL OIL & GAS COMPANY, ITS))
MANAGERS, OFFICERS AND DIRECTORS, AGENTS,))
EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS and)) FILE NO. 1000013
JAMES E. VAN BLARICUM AND STEVE SCHOEN))
INDIVIDUALLY, d/b/a SJS INVESTMENTS))
_____)

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS: Signal Oil and Gas Company
 5208 Airport Freeway, Suite 100
 Fort Worth, Texas 76117

 James E. Van Blaricum
 21022 Gathering Oak, Suite 2103
 San Antonio, Texas 78260

 Steve Schoen
 410 Mayfair Lane
 Buffalo Grove, Illinois 60089

 Steve Schoen d/b/a SJS Investments
 410 Mayfair Lane
 Buffalo Grove, Illinois 60089.

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Respondent Signal Oil & Gas Company, a Texas corporation ("Signal") maintained a last known business address at 5208 Airport Freeway, Suite 100, Fort Worth, Texas 76117.
2. That Respondent James E. Van Blaricum, an individual ("Blaricum") CEO of Signal maintained a last known business address at 5208 Airport Freeway, Suite 100, Fort Worth, Texas 76117.

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3. That Respondent Steve Schoen, an individual ("Schoen"), a sales representative for, Signal and Blaricum maintained a last known business address at 410 Mayfair Lane, Buffalo Grove, Illinois 60089.
4. That Respondent Schoen, d/b/a/ SJS Investments ("SJS") collectively with Signal, Blaricum and Schoen ("Respondents") maintained a last known business address at 410 Mayfair Lane, Buffalo Grove, Illinois 60089.
5. That in the Spring of 2007, or thereabouts, a representative of Respondents through Schoen and SJS cold called more than one Illinois Investor ("Investors") at their place of business and pursued the relationship for the purpose of selling to Investor joint venture interests known as "the Land Lease and Exploration Program II ("Land Program II"), and the Industry Partner Drilling Program II ("Industry Program II"), (the "Offering").
6. That Schoen met with Investors on multiple occasions and touted the success and profitability of Signal Oil and Gas Company. Schoen told Investors that Blaricum was an experienced Oil man and that Signal and Blaricum were reliable and trustworthy. Schoen further represented to Investors that Signal was a good investment and assured them that they would have good returns on any investment; he showed Investors old checks and investment returns from his dealings with Signal Oil as back-up to his statements. Schoen then informed the Investors that he had "inside information" from his "Uncle" Blaricum that the first well in the Industry Program II had been dug and was already online and producing.
7. That Signal's offering documents received by the Investors represented that its Land Program II, was its "most exciting and potentially lucrative opportunity to date...to exploit new opportunities in what is the most dynamic period I the history of the oil and gas industry...that this program was designed to capture the changes in the oil and gas industry for the benefit of Signal and its investors to "join in what promises to be a very financially successful and rewarding program."
8. That Signal's offering documents touted the Industry Program II as "an exceptional opportunity for its participants to realize heretofore unprecedented opportunities for a relatively higher degree of exploration success and potential return on funds invested herein" and "an exceptional oil and gas industry exploration program" with "industry partners representing several hundred years of experience in every aspect of the petroleum industry in Texas." Signal noted that this was its second program and it was "one of the most diversified and potentially successful Programs that Signal had ever offered." Signal represented that the wells in the Industry Program II would be drilled in "known areas of oil and gas production, and in every case are in close proximity to existing production, or directly offsetting producing oil and/or gas wells, thus greatly maximizing the probability of geological success."

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9. That Subsequent to the foregoing solicitation, and based upon the foregoing representations in March of 2007, Investors purchased the Offering, and signed a questionnaire, an exploration agreement and a turnkey drilling and completion contract with Respondents and two investors paid \$25,000.00 for an interest in Signal Oil's Land Program II, and another \$25,000.00 for an interest in Signal Oil's Industry Program II. A third investor subsequently paid \$25,000.00 for an interest in Signal Oil's Industry Program II
10. That the Investors back dated the dates of their signatures on agreements they signed and their checks to December 2006 as requested by the Respondents.
11. That the activities described in paragraphs 5 through 9 above constitute the offer and sale of a certificate of participation in a profit-sharing agreement or an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
12. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
13. That Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and as a result the security was not registered pursuant to Section 5 of the Act prior to its offer and sale in the State of Illinois.
14. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
15. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
16. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act, and Respondents will violate the Act again if they make further offers, or if they make any sales, of the investment opportunity described above in the State of Illinois.
17. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.

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18. That Pursuant to Section 12.G of the Act, it is a violation of the Act to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
19. That Respondent's knew or should have known their promises and representations referred to in paragraphs 6, 7, and 8 above made to the Investors were false and were made for the purposes of inducing the Investors to invest in their offering.
20. That by virtue of the foregoing, Respondents have violated Sections 12.F and 12.G of the Act, and Respondents will violate the Act again if they make further offers, or if they make any sales, of the investment opportunity described above in the State of Illinois.
21. That the aforementioned findings are based upon credible evidence.
22. That Section 11.F(2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
23. That the entry of this Temporary Order prohibiting Respondents, or their officers, directors, agents, employees, members, managers, partners, affiliates, and successors, from offering or selling the above-referenced securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents, Signal Oil & Gas Company, and James E. Van Blaricum, individually, and, its officers, directors, agents, employees, members, managers, partners, affiliates, and successors, and Steve Schoen, individually and d/b/a SJS Investments are PROHIBITED from offering or selling securities in or from this State until further Order of the Secretary of State.

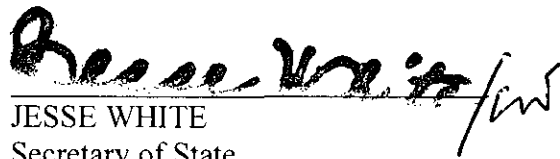
NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

ENTERED: This 29th day, of September 2011.

A handwritten signature in black ink, appearing to read "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
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