

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: Mid-America Energy, Inc.,  
Gary Milby  
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FILE NO. 0700007

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: Mid-America Energy, Inc.  
129 Haven St.  
Unit A  
Hendersonville, TN 37075

Gary Milby  
493 Pleasant Run Church Road,  
Campbellsville, Kentucky 42718

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:

**Failure to Disclose Material Information to Investors In Connection With the Sale of Securities**

1. That Respondent Mid-America Energy Inc. (hereinafter "Mid-America" and together with Gary Milby, the "Respondents") is a Nevada corporation with a last known address of 129 Haven St., Unit A, Hendersonville, TN 37075.
2. That Mid-America is in the business of organizing the process of drilling, and operating oil wells on leased properties.
3. That Gary Milby (hereinafter "Milby" and together with Mid-America (the Respondents") currently resides at 493 Pleasant Run Church Road, Campbellsville, Kentucky 42718.
4. That Respondent Gary Milby at all relevant times was President of Mid-America.

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5. That Investor at all relevant times was an Illinois citizen.
6. That Respondents, on or about March 16, 2006, solicited Investor by telephone to purchase from Respondent a security in the form of a net revenue interest in Black Gold Oil #9, LLP, an oil and gas developmental well project, for \$24,000.
7. That on March 16, 2006, Respondents sold a revenue interest in Black Gold Oil #9, LLP for \$24,000 to Investor.
8. That in exchange for Investor's \$24,000 Respondent promised Investor a two percent net revenue interest in Black Gold Oil #9, LLP.
9. That Respondents signed and mailed Investor a certificate identifying Investor's two percent net revenue interest in Black Gold Oil #9.
10. That at no time did Respondents ever disclose to Investor the risks involved with investing in the securities that Respondents sold him.
11. That specifically, while Respondents promised a 2 percent net revenue interest to Investor, Respondents did not disclose at the time of the sale:
  - a. That on June 9, 2005, the Office of the General Counsel of the Railroad Commission of Texas served and filed a complaint against Gary M. Milby, President of Mid-America Oil and Gas for violations of four regulatory rules in relation to the operation of an oil well lease in Runnels County, Texas.
  - b. That this complaint ultimately resulted in the Railroad Commission of Texas entering a Final Order on January 2006, fining Milby \$4,000 and forbidding Milby, or any organization in which he may hold a position of ownership or control, from drilling oil in Texas for a period of seven years.
  - c. That the Pennsylvania Securities Commission issued a Summary Order to Cease and Desist against Mid-America Energy and Milby.
  - d. That Milby had filed a Chapter Seven bankruptcy petition on November 5, 2003 resulting in discharge on March 17, 2004.
12. That the above-mentioned material omissions of fact address the Respondents' ability both to comply with existing Securities Regulations and to remain in business.

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13. That the activities described above constitute the offer and sale of 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").
14. That Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
15. That by virtue of the foregoing, Respondent violated Section 12.F of the Act.
16. That Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person 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.
17. That by virtue of the foregoing, Respondent violated Section 12.G of the Act.
18. That Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum period of 90 days, by an order effective immediately the offer or sale of securities by any person, without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.
19. That by virtue of the foregoing, the Respondents, pursuant to Section 11.F(2), are subject to an order temporarily prohibiting them from offering or selling securities in the State of Illinois effective October 24, 2007.
20. That Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that the Secretary of State may temporarily prohibit for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities by any person, or the business of rendering investment advice, without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.
21. That the entry of this Temporary Order prohibiting Respondents Bank Watch, Frank Panice and Brian Jines, from offering or selling securities in the State of Illinois, and prohibiting Respondents Mid-America Energy Inc. and Gary Milby,

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from engaging in the business of rendering investment advice 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.

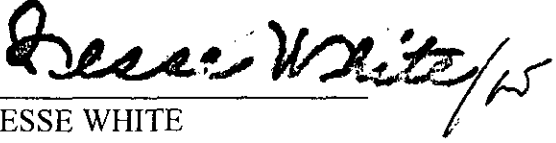
NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Mid-America Energy Inc.**, its predecessors, successors, assigns, and present and former partners, is **PROHIBITED** from offering or selling securities in or from the State of Illinois until the further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Gary Milby** is **PROHIBITED** from offering or selling securities in or from the State of Illinois until the 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 W. 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.

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.

Dated: This 30<sup>th</sup> day of November 2007

  
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JESSE WHITE  
Secretary of State  
State of Illinois

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