

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BERWICK BLACK CATTLE COMPANY,)
SOURCE OF CHAMPIONS,)
THEIR OFFICERS, DIRECTORS,) File No. 0400772
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS,)
AND MARK RAY.)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: Mark Ray
Berwick Black Cattle Company
Source of Champions
C/O Charles Young
Husch & Eppenberger
401 Main Street
Suite 1400
Peoria, Illinois 61602

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

Count I (Violation of 12.A and 12.D)

1. That Respondent, Berwick Black Cattle Company, is an Illinois corporation with a last known address of 200 North Monroe Street, Abingdon, Illinois 61410;
2. That Respondent, Source of Champions, is a purported business entity with a last known address of 200 North Monroe Street, Abingdon, Illinois 61410;
3. That at all times relevant, the Respondent Mark Ray was President of Berwick Black Cattle Company and an Officer, Director, Employee, Affiliate, Successor, Agent or Assign of Source of Champions;
4. That at all times relevant, Mark Ray, Berwick Black Cattle Company and Source of Champions were purportedly in the business of selling and purchasing cattle; Respondents would sell financial instruments in the form of an investment plan, notes, promissory notes,

Temporary Order of Prohibition

-2-

investment contracts, or investment loan contracts to investors to purportedly cover the costs of purchasing, sorting and reselling the cattle due to a purported shortage of funds from Respondents' operating loan from Respondents' bank. The aforesaid investors were then to receive a return of their principal as well as an additional return in the form of a "performance" check, or interest check purportedly in connection with the aforesaid sale and/or purchase of cattle;

5. That on or about May 19, 2005, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to SH, an Illinois Resident, a "Promissory Note" in which for an investment of \$12,000, SH would receive a return of his principal as well as an additional return of \$157.80 by July 16, 2005;
6. That on or about June 25, 2004, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to SH, an Illinois Resident, a "Note" for the amount of \$100,000; that on or about December 6, 2004, SH received a check #12870 in the amount of \$100,000 for the principal repayment as well as a performance check #12870 in the amount of \$3,191.07;
7. That the above-referenced promissory note and note are securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
8. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
10. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document

Temporary Order of Prohibition

-3-

or application required to be filed under the provisions of the Act;

11. That at all times relevant hereto, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
12. That by virtue of the foregoing, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, have violated Sections 12.A and 12.D of the Act;
13. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;
14. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, from offering and/or selling securities in the State of Illinois; and
15. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

Count II (Violation of 12.A and 12.D)

- 1-4. Paragraphs 1-4 of Count I are re-alleged and incorporated as paragraphs 1-4 of this Count II;

Temporary Order of Prohibition

-4-

5. That on or about August 5, 2004, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to RB, an Illinois Resident, a "Note" for the amount of \$40,000 and in return for said investment, Respondent would pay RB the return of his principal as well as interest of approximately 22% bi-annually for as long as the principal remained outstanding; the "Note" indicates that the date for full payment of the "Note" was extended up to April 15, 2005; as of this date, the principal remains outstanding and the payment date of the "Note" has been extended up to and through the present date;
6. That on or about August 5, 2004, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to RB's mother, DB, an Illinois Resident, a "Note" for the amount of \$150,000 and in return for said investment, Respondent would pay DB the return of his principal as well as interest of approximately 22% bi-annually for as long as the principal remained outstanding; the "Note" indicates that the date for full payment of the "Note" was extended up to April 15, 2005; as of this date, the principal remains outstanding and the payment date of the "Note" has been extended up to and through the present date;
7. That each of the aforesaid notes is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953. [815 ILCS 5/1 et seq.] (the "Act");
8. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
10. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to

Temporary Order of Prohibition

-5-

fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;

11. That at all times relevant hereto, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
12. That by virtue of the foregoing, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, have violated Sections 12.A and 12.D of the Act;
13. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;
14. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, from offering and/or selling securities in the State of Illinois; and
15. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

Count III (Violation of 12.A and 12.D)

- 1-4. Paragraphs 1-4 of Count I are re-alleged and incorporated as paragraphs 1-4 of this Count III;

Temporary Order of Prohibition

-6-

5. That on or about January 3, 2005, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to LC, an Illinois Resident, a "Note" where, for an investment of \$100,000, LC would receive the return of his principal as well as an additional return in the amount of \$80-\$125.50 per day per \$100,000 invested;
6. That on or about April 7, 2005, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to LC, an Illinois Resident, a "Note" where, for an investment of \$150,000, LC would receive the return of his principal as well as interest, the amount of which was to be determined at a subsequent time and date;
7. That on or about April 7, 2005, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to LC, an Illinois Resident, a "Note" where, for an investment of \$200,000, LC would receive the return of his principal as well as interest, the amount of which was to be determined at a subsequent time and date;
8. That each of the aforesaid notes is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
9. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
10. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
11. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to

Temporary Order of Prohibition

-7-

fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;

12. That at all times relevant hereto, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
13. That by virtue of the foregoing, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, have violated Sections 12.A and 12.D of the Act;
14. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;
15. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, from offering and/or selling securities in the State of Illinois; and
16. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

Count IV (Violation of 12.A and 12.D)

- 1-4. Paragraphs 1-4 of Count I are re-alleged and incorporated as paragraphs 1-4 of this Count IV;

Temporary Order of Prohibition

-8-

5. That on or about January 13, 2002, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to DT, an Illinois Resident, an "Investment Contract" which stated that in return for an investment of \$150,000, DT would receive a return of his principal as well as an additional return of \$3,000 within 14 days of the aforementioned date; DT received both the principal and the additional \$3,000 return within the aforesaid time period;
6. That on or about November 7, 2002, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to DT, an Illinois Resident, an "Investment Contract" which stated that in return for an investment of \$122,500, DT would receive a return of his the principal as well as an additional return of \$5,000.17 within 21 days of the aforementioned date; DT received both the principal as well as the additional \$5,000.17 return within the aforesaid time period;
7. That on or about December 9, 2002, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to DT, an Illinois Resident, an "Investment Contract" which stated that in return for an investment of \$157,002.17, DT would receive the return of his principal as well as a payment of interest within 7-10 days, the amount of which was to remain open; Interest in the amount of \$2,709.81 as well as the principal was subsequently paid to DT within the aforesaid time period;
8. That on or about December 30, 2002, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to DT, an Illinois Resident, an "Investment Contract" which stated that in return for an investment of \$159,000, DT would receive the return of his principal as well as a payment of interest within 7-10 days, the amount of which was to remain open; Interest in the amount of \$2,497.80 as well as

Temporary Order of Prohibition

-9-

the principal was subsequently paid to DT within the aforesaid time period;

9. That on or about January 30, 2003, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to DT, an Illinois Resident, an "Investment Contract" which stated that in return for an investment of \$150,000, DT would receive the return of his principal as well as an additional return of \$2,358.15 within 10 days of the aforementioned date; DT received both the principal and the \$2,358.15 return within the aforesaid time period;
10. That each of the above-referenced investment contracts is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act")
11. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
12. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
13. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;
14. That at all times relevant hereto, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
15. That by virtue of the foregoing, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors,

Temporary Order of Prohibition

-10-

Agents and Assigns, including Mark Ray, have violated Sections 12.A and 12.D of the Act;

16. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;
17. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, from offering and/or selling securities in the State of Illinois; and
18. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

Count V (Violation of 12.A and 12.D)

- 1-4. Paragraphs 1-4 of Count I are re-alleged and incorporated as paragraphs 1-4 of this Count V;
5. That on or about September, 2003, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to JB an investment plan in which JB would invest \$450,316.19 and would receive the return of his principal as well as an additional return of \$9,000 within 10 days; JB received payment of both the principal and the additional \$9,000 return within the aforementioned time period;
6. That on or about October 14, 2003, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors,

Temporary Order of Prohibition

-11-

Agents and Assigns, including Mark Ray, offered and sold to JB an investment plan in which JB would invest \$674,525.72 and would receive the return of his principal as well as an additional return of \$14,971.09 within 15 days; JB received payment of both the principal and the additional \$14,971.09 return within the aforementioned time period;

7. That on or about October 17, 2003, Berwick Black Cattle Company and Source of Champions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to JB an "Investment Contract" where, for an investment of \$399,991.94, JB would receive the return of his principal as well as interest, the amount of which was to be determined at a subsequent time and date; Interest in the amount of \$10,931.07 was paid in this matter on or about November 14, 2003;
8. That on or about October 30, 2003, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to JB an "Investment Contract" where, for an investment of \$219,741.96, JB would receive the return of principal as well as interest, the amount of which was to be determined at a subsequent time and date; Interest in the amount of \$12,701.25 as well principal was subsequently paid in this matter on or about November 26, 2003;
9. That on or about October 31, 2003, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to JB an "Investment Contract" where, for an investment of \$468,971.02, JB would receive the return of principal as well as interest, the amount of which was to be determined at a subsequent time and date;
10. That on or about November 4, 2003, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, offered and sold to JB an "Note" where, for an investment of 1,209,000, JB would receive the return of principal as well as interest in the amount of \$212,500 on or before December 19, 2004;

Temporary Order of Prohibition

-12-

11. That the aforesaid note, investment plan and the aforementioned investment contracts are investment contracts and are therefore securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
12. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
13. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
14. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;
15. That at all times relevant hereto, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
16. That by virtue of the foregoing, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, have violated Sections 12.A and 12.D of the Act;
17. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;

Temporary Order of Prohibition

-13-


18. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, from offering and/or selling securities in the State of Illinois; and
19. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, are hereby PROHIBITED from offering and/or selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondent may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

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

ENTERED: This 5th day of July, 2005

Jesse White 
JESSE WHITE
Secretary of State
State of Illinois

Temporary Order of Prohibition
-14-

Attorney for the Secretary of State:

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