

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)

CONSENT ORDER

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

WHEREAS, Respondents Berwick Black Cattle Company, Source of Champions, and Mark Ray (the "Respondents") on November 2, 2005, executed a certain Stipulation To Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondents have consented to the entry of this Consent Order of Prohibition.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondents have acknowledged, while neither admitting nor denying the truth thereof, that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That Respondent, Berwick Black Cattle Company, is an Illinois corporation with a last known address of 200 North Monroe Street, Abingdon, Illinois 61410;

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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, 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 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

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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;

8. 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;
9. 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;
10. 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;
11. 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

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- 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;
12. 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;
 13. 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;
 14. 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;
 15. 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

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

16. 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;
17. 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;
18. That on or about October 14, 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 \$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;
19. 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

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\$10,931.07 was paid in this matter on or about November 14, 2003;

20. 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;
21. 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;
22. 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;
23. That the aforesaid notes, promissory notes, investment plans and 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");
24. 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;
25. 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

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sell securities except in accordance with the provisions of the Act;

26. 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;
27. 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;
28. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
29. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
30. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

WHEREAS, the Respondents have acknowledged that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

1. That by virtue of the foregoing, the Respondents Berwick Black Cattle Company and Source of Champions, by and through

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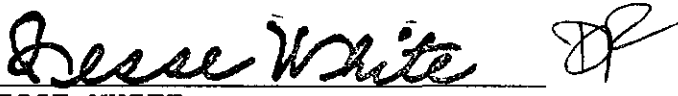
their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, violated Sections 12.A and 12.D of the Act;

2. That by virtue of the foregoing, Respondents Berwick Black Cattle Company and Source of Champions, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Ray, are subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The foresaid allegations contained in the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusions of Law;
2. The Respondents shall, within 30 days of the entry of aforesaid Consent Order, jointly and severally pay a fine and costs of investigation in the amount of \$20,000 to the Illinois Secretary of State, and that such payment will be made by money order or cashier's check payable to the Illinois Secretary of State;
3. The Respondents shall be permanently prohibited from offering and selling securities in the State of Illinois;

ENTERED: This 10th day of November, 2005.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12(D) of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

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