

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

---

IN THE MATTER OF: RAM ENERGY, INC. )  
ITS OFFICERS, DIRECTORS, ) File No. 0200991  
EMPLOYEES, AGENTS, AFFILIATES, )  
SUCCESSORS AND ASSIGNS )

---

NOTICE OF HEARING

TO THE RESPONDENT: RAM Energy, Inc.  
c/o Richard M. Hewitt, PC  
300 Trophy Club Drive, Suite 700  
Trophy Club, Texas 76262

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 520 South Second Street, Suite 200, Springfield, Illinois 62701, on the 18th day of February, 2004 at the hour of 9:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order of Prohibition should be entered against RAM Energy, Inc., its officers, directors, employees, agents, affiliates, successors and assigns (the "Respondent") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That RAM Energy, Inc. is a purported corporation, which maintains a last know business address of 2554 Lincoln Blvd., Marina Del Ray, CA 90291;

Notice of Hearing

-2-

2. That on or about September 2003, the Respondent offered through general solicitation and/or sold the opportunity to invest in an oil and gas drilling venture located in Texas to at least one (1) Illinois resident;
3. That on or about September 29, 2003, the Illinois Securities Department sent to the Respondent a letter pursuant to 11.C of the Act and did not receive an answer to the questions posed in the 11.C letter;
4. That on or about October 28, 2003, the Illinois Securities Department sent a second 11.C letter to Richard Hewitt, counsel of record for the Respondent, and to this date, the Department has not received an answer to the questions posed in the 11.C letter;
5. That the above-referenced oil and gas drilling venture is a security as that term is defined pursuant to Section 2.1 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act");
6. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2a, or those exempt under Section 3, 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;
7. That at all times relevant hereto, the above referenced oil and gas drilling venture was not registered with the Secretary of State pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois;
8. 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 any securities except in accordance with the provisions of the Act;
9. 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

Notice of Hearing

-3-

document required to be filed under any provision of the Act;

10. That at all times relevant hereto, the Respondent 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;
11. That at all times relevant hereto, the Respondent failed to file with the Secretary of State an answer to either of the 11.C letters;
12. That by virtue of the foregoing, the Respondent has violated Sections 12.A and 12.D of the Act.
13. 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.
14. 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.
15. That by virtue of the foregoing, the Respondent is subject to a fine of up to \$ 10,000.00 per violation and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of

Notice of Hearing

-4-

the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 22<sup>nd</sup> day of December, 2003.



Jesse White  
Secretary of State  
State of Illinois

DF

Attorney for the Secretary of State:  
Andrew Barris  
Illinois Securities Department  
Lincoln Tower, Suite 200  
520 South Second Street  
Springfield, Illinois 62701  
Telephone: (217) 557-1164  
Enforcement Fax: (217) 782-8876

Hearing Officer:  
Jon K. Ellis  
1035 South 2<sup>nd</sup>, Street  
Springfield, Ill 62704  
217-528-6835  
Fax 217-528-6837