

SE2207641/LMD
SE 2207473

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of
Eastern Energy Corporation, a
Kentucky Corporation; and Mark Kroman, its President

CONSENT ORDER

TO: Mark Kroman, President
Eastern Energy Corporation
P.O. Box 50434
Bowling Green, Kentucky 42102-3634

Commissioner of Commerce James C. Bernstein (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised, Eastern Energy Corporation and its officers, directors, agents, employees, assigns, affiliates, representatives, servants, and successors including Mark Kroman, President, (hereinafter "Respondents") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027, subd. 5 (2002), as amended, against Respondents based on allegations that Respondents offered or sold units in working interests in oil and gas drilling operations.
2. The oil and gas units offered or sold by Respondents constitute securities within the meaning of Minn. Stat § 80A.14, subd. 18 (2002), and constitute lands or interest in lands represented to contain or to be prospect for oil or gas within the meaning of Minn. Stat. § 80A.30 (2002).
3. These securities and lands or interest in lands were not registered with the Commissioner prior to or at the time of their offer or sale in the State of Minnesota, as required by Minn. Stat. §§ 80A.08 and 80A.30 (2002), nor were said securities and lands or interest in lands or their offer or sale exempt from the registration requirements of Minn. Stat., ch. 80A (2002).
4. Respondents are not licensed to sell securities in the State of Minnesota as required by Minn. Stat. § 80A.04 (2002) nor are they exempt from said licensing requirements.

5. Respondents acknowledge that they have been advised of their right to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and Respondents hereby expressly waive those rights. Respondents further acknowledges that they have been represented by legal counsel throughout these proceedings, or has been advised of their right to be represented by legal counsel, which right they hereby waive.

6. Respondents have agreed without admitting or denying the allegations contained herein to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2002) and Minn. R. 1400.5900 (2001).

7. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, that pursuant to Minn. Stat. § 45.027, subd. 5 (2002), as amended, Respondents Eastern Energy Corporation and its officers, directors, agents, employees, assigns, affiliates, representatives and servants, including Mark Kroman, President, shall cease and desist from offering or selling in the State of Minnesota the above-described or any other securities until compliance with Minn. Stat., ch. 80A (2002), as amended, has been achieved.


IT IS FURTHER ORDERED, that Respondents shall pay a civil penalty to the State of Minnesota in the amount of \$8,000.00.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 11-13-02

JAMES C. BERNSTEIN
Commissioner

By:


GARY A. LAVASSEUR
Deputy Commissioner
Enforcement Division

85 Seventh Place East 500
Saint Paul, Minnesota 55101
Telephone: (651) 296-2594

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CONSENT TO ENTRY OF ORDER

The undersigned, individually and on behalf of Eastern Energy Corporation, states that he has read the foregoing Consent Order; that he knows and fully understands its contents and effect; that he is authorized to execute this Consent to Entry of Order on behalf of Respondent; that he has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that he has been advised of Respondent's right to be represented by legal counsel and that he has waived this right; and that he consents without admitting or denying the allegations contained herein to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

EASTERN ENERGY CORPORATION


By: , President
Mark Kroman, President

STATE OF Kentucky

COUNTY OF Warren

This instrument was acknowledged before me on 11/8/02 (date) by Mark Kroman
(name(s) of person(s)) as President (type of authority, e.g., officer, trustee, etc.) of
Eastern Energy Corp. (name of party on behalf of whom the instrument was executed).

(stamp)


(Signature of notary officer)
Notary Republic
Title (and Rank)
My commission expires: 9 Sept 06