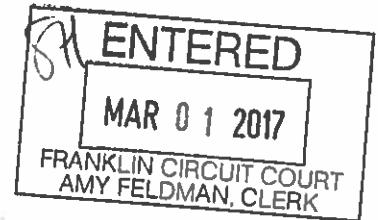


COMMONWEALTH OF KENTUCKY  
FRANKLIN CIRCUIT COURT  
DIVISION II  
CIVIL ACTION 07-CI-01930



COMMONWEALTH OF KENTUCKY, EX REL.  
THE COMMISSIONER OF THE  
DEPARTMENT OF FINANCIAL INSTITUTIONS

PLAINTIFF

v

FINAL JUDGMENT OF PERMANENT INJUNCTION  
AND OTHER RELIEF

YOUNG OIL CORPORATION, ET AL.

DEFENDANTS

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The Plaintiff, the Kentucky Department of Financial Institutions, (hereinafter "DFI") commenced this action by filing a *Complaint for Injunctive Relief* and subsequent *Motion for Appointment of Receiver, Temporary Restraining Order, Asset Freeze and Accounting*, alleging that the Defendants, Anthony Young (hereinafter "Young") and Young Oil Corporation (hereinafter "YOC") violated KRS 292.330(1) by transacting business in Kentucky as unregistered broker-dealers. The Plaintiff also alleged that the Defendants violated KRS 292.340 by selling unregistered securities, and further violated KRS 292.320 by engaging in fraud in connection with the offer and sale of the various securities. Early in the case, various individual Defendants were dismissed, rendering the allegations of violations of KRS 292.330(1) moot. The Defendants appealed to the Kentucky Court of Appeals but the matter was dismissed because there was not a final and appealable order. This order resolves the matter.

This Court conducted a Bench Trial held on May 27 through May 29, 2009. The Court issued its Findings of Fact, Conclusions of Law and Order, on August 19, 2009, with respect to Defendants, Young Oil Corporation and Anthony Young, known collectively as "Defendants."

Those Findings of Fact and Conclusions of Law are incorporated by reference and made a part of this Final Judgment of Permanent Injunction and Other Relief (“Final Judgment”).

Anthony Young and Young Oil Corporation, by counsel, have agreed to the entry of this Final Judgment. This Court having accepted such agreement and this Court having jurisdiction over the parties and the subject matter hereof, and the Court being fully advised in the premises:

1. The Court found that the Defendants failed to meet the burden of proof in showing entitlement to an exemption or qualification as a covered security, pursuant to Rule 506 of Regulation D of the Federal Securities Act of 1933 and found that the Defendants sold unregistered securities in the form of general partnership and joint interests in oil and gas drilling operations in violation of KRS 292.340.
2. The Court found that the Defendants materially misled investors in connection with the offer and sale of securities, and made untrue statements of material fact and/or failed to disclose material facts necessary in order to make the statements made, in light of the circumstances, not misleading; and engaged in acts, practices and a course of business which operated to perpetrate fraud or deceit upon investors in violation of KRS 292.320.
3. The Court finds that Young was charged with federal crimes involving facts and circumstances some of which were before this Court. Young plead guilty to Using the Mail to Employ Manipulative and Deceptive Devices and Contrivances in Connection with the Purchase and Sale of a Security and other law violations before the Western District Court of Kentucky, Case No. 1:13-CR-34-R. In the criminal judgment, Young was Ordered to pay restitution of one million dollars (\$1,000,000) to the various investors named in the Federal Order.

4. **IT IS ORDERED AND ADJUDGED** that Defendants, Anthony Young and Young Oil Corporation, are permanently enjoined from violating the Securities Act of Kentucky (KRS Chapter 292).
5. **IT IS FURTHER ORDERED AND ADJUDGED** that the Plaintiff's claim for disgorgement from the Defendants in the amount of one million dollars (\$1,000,000) is granted. Defendants disgorgement shall be offset, dollar-for-dollar, for restitution paid to the investors, pursuant to the federal criminal judgment and restitution order.
6. **IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction over this matter for the purposes of enforcing the terms of this Final Judgment.

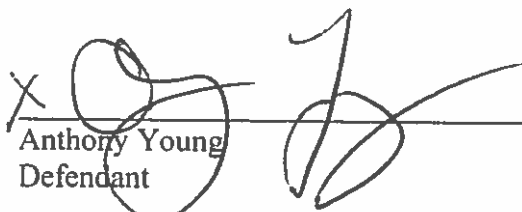
This is a final and appealable Order.

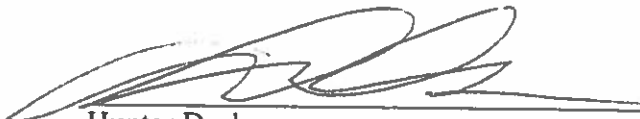
SO ORDERED this 27 day of Feb, 2017.

  
\_\_\_\_\_  
JUDGE THOMAS D. WINGATE  
FRANKLIN CIRCUIT COURT, DIVISION II

SEEN AND AGREED:

  
\_\_\_\_\_  
Gary W. Adkins  
Counsel for Plaintiff

X   
\_\_\_\_\_  
Anthony Young  
Defendant

  
\_\_\_\_\_  
Hunter Durham  
Counsel for Defendant

**ACKNOWLEDGEMENT**

STATE OF Kentucky )  
 )  
COUNTY OF ADAIR )

On this 16<sup>th</sup> day of February, 2017, before me  
Hunter Durham, Notary Public, **Anthony Young**, did  
personally appear and that he, entered into and executed the foregoing instrument for the purposes  
therein contained.

My Commission Expires: 6-16-20

  
Notary Public

**CLERK'S CERTIFICATE**

This is to certify that a true and correct copy of the above Order has been served by first  
class mail, messenger mail, or hand delivery to: Hon. Gary W. Adkins, Kentucky Department of  
Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, KY 40601 and Hon.  
Hunter Durham, Durham & Zornes, 130 Public Square, P.O. Box 100, Columbia, KY 42728, on  
this 15<sup>th</sup> day of March, 2017.

AMY FELDMAN, CLERK  
FRANKLIN CIRCUIT COURT  
BY: Amy Feldman **AM** D.C.