

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 9, 2010 CLERK'S OFFICE

COMMONWEALTH OF VIRGINIA, ex rel.

2010 APR -9 P 2:59

STATE CORPORATION COMMISSION

DOCUMENT CONTROL

v.

CASE NO. SEC-2009-00124

SEDONA OIL & GAS CORPORATION  
and  
KENNETH W. CRUMBLEY,  
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that: (i) Defendant Sedona Oil & Gas Corporation violated § 13.1-504 A (i) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by transacting business in the Commonwealth of Virginia without being duly registered with the Division as a broker-dealer; and (ii) Sedona Oil & Gas Corporation and Kenneth W. Crumbley (collectively, "Defendants") violated § 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.

The State Corporation Commission ("Commission") is authorized by § 13.1-506 of the Act to revoke the Defendants' registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1-521 A of the Act to impose certain monetary penalties, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendants neither admit nor deny these allegations but admit to the Commission's jurisdiction and authority to enter this Settlement Order.

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As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of the Commonwealth of Virginia, within ninety (90) days of the date of entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalties.

(2) The Defendants will pay to the Treasurer of the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Dollars (\$2,000) to defray the cost of investigation.

(3) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

The Commission, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendants fully comply with the aforesaid terms and undertakings of this settlement; and

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:  
Kenneth W. Crumbley, Sedona Oil & Gas Corporation, 5646 Milton Street, Suite 130, Dallas,  
Texas 75206; Richard M. Hewitt, Esquire, Richard M. Hewitt, P.C., 300 Trophy Club Drive,  
Suite 700, Trophy Club, Texas 76262; and a copy shall be delivered to the Commission's Office  
of General Counsel and Division of Securities and Retail Franchising.

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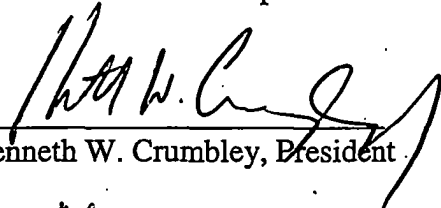
ADMISSION AND CONSENT

The Defendants, Sedona Oil & Gas Corporation and Kenneth W. Crumbley, admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consent to the form, substance and entry of the foregoing Settlement Order.

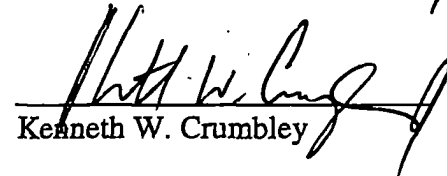
The Defendants further state that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Settlement Order.

Sedona Oil & Gas Corporation


Date: 3/22/10

By:   
Kenneth W. Crumbley, President

Date: 3/22/10

By:   
Kenneth W. Crumbley

Seen and Approved By:

  
Richard M. Hewitt, Esquire