IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

ARIZONA CORPORATION COMMISSION, Petitioner, v. GARY M. MILBY A/K/A GARY MOSS MILBY AND A/K/A GARY M. MILLEY, a married man; CLINTON GOFF A/K/A CLINT GOFF, an unmarried man; MID AMERICA ENERGY, INC., a Nevada corporation; MID AMERICA OIL & GAS, LLC., a Kentucky limited liability company; WARREN EXPLORATION, LLC, a Nevada limited liability company; ENERGY MARKETING, INC., a Nevada corporation; JOHN DOES I-V; JANE DOES I-V; WHITE CORPORATIONS I-V; BLACK PARTNERSHIPS I-V; and XYZ LIMITED LIABILITY COMPANIES I-V Respondents.	No. CV 2006 - 011672 **ORDER OF CONTEMPT AGAINST RESPONDENTS GARY M. MILBY, MID AMERICA ENERGY, INC., MID AMERICA OIL & GAS, LLC, and ENERGY MARKETING, INC.**

This matter came before the Court upon on an Order to Show Cause, This Court having reviewed the entire file, and good cause appearing,

THE COURT FINDS that the Arizona Corporation Commission (the "ACC') filed an Application for an Order to Show Cause on August 4, 2006, pursuant to A.R.S. § 44-2032 and in accordance with Rule 6(d), Ariz. R. Civ. P., and that This Court issued an Order to Show Cause pursuant to this application. This Court's order required Respondents appear before This Court on Wednesday September 27, 2006 and admonished Respondents specifically that, **"YOU MUST APPEAR, IF YOU DO NOT, THE RELIEF REQUESTED MAY BE GRANTED!"**

THE COURT FURTHER FINDS that Respondents: Gary Milby ("MILBY"), Mid America Energy, Inc. ("MAE") and Mid America Oil & Gas, LLC were personally served with, inter alia, the ACC's Application for an Order to Show Cause and This Court's Order to Show Cause Order on August 23, 2006.

THE COURT FURTHER FINDS that Respondent Energy Marketing, Inc. ("EMI") was served by delivery of the summons, pleadings, and orders in this proceeding to its Registered Agent on August 25, 2006.

THIS COURT FURTHER FINDS that on September 27, 2006, Respondents MILBY, MAE, MAOG, and EMI failed to appear and that they are in Contempt of this Court's Orders.

THE COURT FURTHER FINDS that a "Temporary Order to Cease and Desist and Notice of Opportunity" ("TC&D") was entered on February 28, 2006 by the Arizona Corporation Commission pursuant to A.R.S. § 44-2032.

THE COURT FURTHER FINDS that on March 6, 2006 the TC&D was served upon MILBY, MAE, and MAOG.

THE COURT FURTHER FINDS that the TC&D prohibited Respondents MILBY, MAE, MAOG, "their agents, servants, employees, successors, assigns, and those persons in active concert or participation with them" from violating the Arizona Securities Act (the "Securities Act") A.R.S. § 44-1801 *et seq.,* including, but not limited to, a prohibition from engaging in: (1) the sale or "offer for sale within or from" Arizona of unregistered securities in violation of A R.S. § 44-1841; (2) committing fraud in the purchase or sale of securities in violation of A R.S. § 44-1991; and (3) acting as an unregistered salesman of securities in violation of A R.S. § 44-1842.

THE COURT FURTHER FINDS that MILBY, MAE, and MAOG's oil and gas investments, which they characterize as interests in limited liability companies, constitute securities under Arizona law.

THE COURT FURTHER FINDS that the securities are not registered to be sold within or from Arizona; therefore, the solicitation of these unregistered securities is prohibited by the TC&D and Arizona law.

THE COURT FURTHER FINDS that MILBY is not registered to sell securities within or from Arizona; therefore, the solicitation of these unregistered securities by MILBY is prohibited by the TC&D and Arizona law.

THE COURT FURTHER FINDS that since service of this order MILBY, MAE, and MAOG have continued to offer unregistered securities in Arizona in violation of the TC&D.

THE COURT FURTHER FINDS from March 7, 2006 to March 26, 2006, at least 380 XM satellite radio ads aired in Arizona soliciting orders for oil and gas securities in MAE and MAOG under the name of EMI. EMI publicly solicited securities for MAE and MAOG and this conduct violates the TC&D.

THE COURT FURTHER FINDS that each of the ads constitute violations of the TC&D punishable for contempt up to $20,000.00 per violation pursuant to A.R.S. § 44-2032(1)(a), and additionally constitute violations of the Securities Act pursuant to A.R.S. § 44-2037 for which the Arizona Corporation Commission requested a civil penalty of up to $5,000.00 for each violation.

THE COURT FURTHER FINDS that MILBY, MAE, and MAOG have a website at www.midamerica-energy.com. This website can be accessed by Arizona residents. This website continues to attempt to solicit orders for oil and gas securities in MAE and MAOG which is prohibited by the TC&D. The website does not state that the securities are not offered to persons in Arizona.

WHEREFORE, THIS COURT ORDERS AND DECREES that Gary Milby, Mid America Energy, Inc., and Mid America Oil and Gas, LLC are jointly and severally liable for and ordered to pay $ 1,000,000 for contempt of court and for violating the Securities Act. This penalty is payable to the General Fund of the State of Arizona and is due on 10/09/06. Interest shall accrue on this judgment at the rate prescribed by law.

HON. COLIN CAMPBELL

Judge of the Superior Court