

ORIGINAL



0000040032

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Burton M. Bentley, Esq. (Bar No. 00980)
BURTON M. BENTLEY, P.C.
5343 North 16th Street, Suite 480
Phoenix, Arizona 85016
(602) 861-3055
(602) 861-3230
Attorney for Respondents

RECEIVED
2006 JAN 27 P 4: 36
AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of:

Reserve Oil & Gas, Inc., a Nevada corporation
3507 North Central Avenue, Suite 503
Phoenix, Arizona 85012

Allen and Jane Doe Stout, Sr., husband and wife
1309 West Portland Street
Phoenix, Arizona 85007-2102

Allen and Jane Doe Stout, Jr., husband and wife
1309 West Portland Street
Phoenix, Arizona 85007-2102

Respondents.

Docket No. S-20437A-05-0925

**SEPARATE ANSWER OF
RESPONDENTS RESERVE OIL & GAS,
INC. AND ALLEN STOUT, SR. AND
EUGENIA STOUT, HUSBAND AND
WIFE, TO TEMPORARY ORDER TO
CEASE AND DESIST AND NOTICE OF
OPPORTUNITY FOR HEARING**

Respondents Reserve Oil & Gas, Inc., a Nevada corporation ("ROG"), Allen Stout, Sr. ("Stout Sr.") and Eugenia Stout, husband and wife (collectively, "Respondents"), by and through undersigned attorney, do hereby file their Answer to the Temp Order to Cease and Desist and Notice of Opportunity for Hearing, and do hereby admit, deny and allege as follows:

1. Admit the allegations of paragraphs 1 though 7 inclusive, and 9 through 11 inclusive, except that Respondent Stout Sr. denies that if he is found to have willfully violated the securities laws, then he was then acting for the benefit of the marital community of himself and his wife, and further deny that Respondent Stout Jr. is or was married at all times relevant to the Order and further allege that the true name of Jane Doe Stout Sr. is Eugenia Stout.

1 3. In answer to paragraph 12, Respondents reallege each and all of its Answers to
2 paragraphs 1-11 inclusive.

3 4. Admit the allegations of paragraph 13.

4 5. Admit the allegations of paragraphs 14 and 15, except that Respondents allege that
5 only a single project was engaged in by ROG.

6 6. Deny the allegations of paragraphs 16, and thereon allege that only a single well is
7 involved in the project offered by ROG, and as to Benco/Rife, Respondents are without knowledge
8 or information sufficient to form a belief as to the truth of the allegations therein.

9 7. Admit the allegations of paragraphs 17 and 18.

10 8. Deny the allegations of paragraph 19 respecting the well offered by Respondents,
11 and thereon allege that the projected life of 20 to 30 years refers generally to the Barnett Shale and
12 not to the particular well site offered by ROG.

13 9. Deny the allegations of paragraph 20 and thereon allege that all website
14 solicitations have been curtailed.

15 10. Admit the allegations of paragraph 21.

16 11. Deny the allegations of paragraph 22.

17 12. Admit the allegations of paragraphs 23, 24, 25, 26, 27 and 28.

18 13. In answer to paragraph 29, admit that disclaimers appeared, and deny that
19 Respondents intended to lure investors, but thereon allege that the website was intended to educate
20 potential investors.

21 14. Admit the allegations of paragraphs 30 through 42 inclusive, except deny as to the
22 99% chance of success rate in this investment.

23 15. Deny the allegations of paragraph 43, except that Respondents admit that Stout Sr.
24 was convicted of tax evasion.

 16. Deny the allegations of paragraph 44.

