BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
HILLBILLY OIL EXPLORATION, LLC,
US PETROLEUM LLC, DONALD BAKER,
JERRY GARLAND, KARLA K. SUTTON,
PAUL MCHUGH, and DONNA M. BAKER,

Respondents.

PETITION FOR ORDER

File No. S-02111(EX)

The staff of the Enforcement Unit, Bureau of Registration & Enforcement, of the Division of
Securities, Department of Financial Institutions, State of Wisconsin has conducted an
investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as
follows:

1. Hillbilly Oil Exploration, LLC ("Hillbilly") is a foreign business entity with a last known
business address of Route 2, Box 473, Albany, KY 42602.

2. U.S. Petroleum, LLC ("USPLLC") is a foreign business entity with a last known business
address of Route 4, Box 144X, Monticello, KY 42633.

3. Donald Baker ("Donald") is an individual who at all times material hereto has been CEO of
Hillbilly and USPLLC, with last known business addresses at those of Hillbilly and
USPLLC.

4. Jerry Garland ("Garland") is an individual who at all times material hereto has been
President of Hillbilly, with a last known business address at that of Hillbilly.

5. Karla K. Sutton ("Sutton") is an individual who at all times material hereto has been the
owner of USPLLC, with a last known business address at that of USPLLC.

6. Paul McHugh ("McHugh") is an individual who at all times material hereto has been an
agent of Hillbilly, Donald, and Garland, with a last known business address at that of
Hillbilly.

7. Donna M. Baker ("Donna") is an individual who at all times material hereto has been an
agent of USPLLC, Donald, and Sutton, with a last known business address at that of
USPLLC.

8. During the period of May 2002, McHugh on behalf of Hillbilly Donald and Garland, offered
to at least one person in Wisconsin ("the offeree") working interests in oil and gas wells.

9. During the period of June 2002, Donna, on behalf of USPLLC, Donald, and Sutton, offered
to at least one person in Wisconsin ("the offeree") working interests in oil and gas wells.

10. The offeree had no pre-existing relationship with any of the Respondents

11. Upon information and belief, investors can play a passive role in the company with no duties
and responsibilities.
12. The working interests offered by the Respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.

13. The investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

14. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

15. In connection with the offers of the securities described above, McHugh transacted business in Wisconsin as an "agent" for Hillbilly Donald and Garland, as that term is defined by sec. 551.02(2), Wis. Stats.

16. At no time has McHugh been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

17. McHugh has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

18. In connection with the offers of the securities described above, Donna transacted business in Wisconsin as an "agent" for USPLLC, Donald, and Sutton, as that term is defined by sec. 551.02(2), Wis. Stats.

19. At no time has Donna been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

20. Donna has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

21. Hillbilly, USPLLC, Baker, Garland, and Sutton have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.

22. On February 19, 2002, the State of Pennsylvania, issued a Cease and Desist Order against Hillbilly and Baker, based on allegations of securities law violations.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Susan A. Kittel Mobre Date
Legal Assistant
Enforcement Unit

David A. Cohen Date
Supervising Attorney
Enforcement Unit