ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	**SUMMARY**
	)	**ORDER TO CEASE AND DESIST**
James L. Rapholz, Jr.,	)	
	)	**File No. 09061**
Respondent.	)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2009), on or about June 25, 2009, received information regarding alleged activities of James L. Rapholz, Jr. ("Rapholz" or the "Respondent") which, if true, could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the Respondent pursuant to S.C. Code Ann. § 35-1-602; and

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings and conclusions:

1. The Respondent is a Florida resident.
2. Upon information and belief, the Respondent's home and work address during the time period of the transactions alleged herein was 3910 North East 26th Avenue, Lighthouse Point, Florida 33064.
3. The Respondent represents that he is the publisher and editor of "Economic Advice," a monthly newsletter available from the Respondent by subscription.
4. The Respondent has described the newsletter as "a stock market advisory letter which specializes in energy and precious metals."

5. The Respondent also states:

   a. "This editor's gift is making individual investors rich;"

   b. "James Rapholz has a gift. Searching for – and finding – hidden stocks with great potential is in James' (sic) blood. And when he discovered Cobra Oil & Gas (CGCA), he knew this stock could be his biggest blockbuster yet… perhaps the most profitable stock you'll ever own;" and

   c. "Don't let Cobra get away. Buy Cobra immediately!"

6. During the period in or around the spring and summer of 2009:

   a. The Respondent was paid by Packet Portfolio Ltd. to "increase industry and investor awareness" of Cobra Oil & Gas Company ("Cobra"). Cobra's stock symbol was CGCA.

   b. The Respondent has indicated that Packet Portfolio Ltd. is a "non-controlling shareholder" in Cobra.

   c. The Respondent was provided with promotional material by Kevin Finn of www.finncom.com, a direct response copywriter, that the Respondent then reviewed, approved and returned to Finn.

   d. This promotional material was subsequently prepared and disseminated via the Internet as a "Special Report from the Editor of Economic Advice."

   e. The promotional material strongly recommended investment in Cobra. Several reasons for immediate investment in Cobra were set forth.

   f. On or about June 25, 2009, the Respondent's promotional material was disseminated to a South Carolina investor via streetsider.com, a web site

the South Carolina investor accessed following representations the site provided "free investment information."

7. In the promotional material distributed to support the Respondent's recommendation that investors purchase shares of Cobra, the Respondent made false or misleading statements of material fact, including but not limited to the following:

   a. "Cobra Oil & Gas (CGCA) is a junior exploration company you'd never find on your own. But oil giant Exxon found it and fully understands the monster profit potential Cobra represents. "

   b. "Exxon's recent 12.5% partnership with Cobra Oil & Gas in Utah, is a clear signal to buy Cobra (CGCA) immediately!"

   c. "But here's the really exciting news that illustrates just how savvy a company Cobra is. The company is batting 1.000 in Montana. A perfect 39 for 39. Every drill bit put into the Montana soil hit oil."

   d. " According to the Energy Information Administration, which is the official source of energy statistics from the United States government, 20,680 barrels of oil are consumer (sic) every day in the USA. It comes to more than 7.5 million barrels a year. But Cobra is sitting on an estimated 1.1 billion barrels (in Utah alone!), more than enough to power the USA for 146 years! "

8. To date, the Respondent has provided no evidence, whether in response to a subpoena directing him to respond or otherwise, to support his claim Exxon Mobil Corporation ("Exxon") "found it and fully understood the monster profit potential Cobra represents."

9. Upon information and belief, Exxon does not have a "12.5% partnership with Cobra Oil & Gas in Utah."

10. Upon information and belief, at the time the claims referred to in paragraph 7 were made, Exxon had no agreement in place, interest in, or other significant relationship with Cobra Oil & Gas.

11. Upon information and belief , Cobra has not drilled thirty-nine oil wells in Montana, nor has it hit oil in thirty-nine wells in Montana.

12. In item 8(c) above, the Respondent misrepresented the figures used to show consumer consumption of barrels of oil by persons in the United States of America ("USA"). Data available at the source provided by the Respondent to the Division, the "Energy Information Administration," indicates that in 2007, consumers in the USA consumed more than 7.5 billion barrels of oil, rather than the 7.5 million claimed by the Respondent in promotional materials designed for investors. At the correctly calculated rate of consumption, if Cobra actually had the estimated oil reserves the Respondent claims but can not provide information to support, Cobra's estimated oil reserves could meet the demands of the USA for less than two months, not the 146 years stated by the Respondent in advertising materials.

13. Upon information and belief, Cobra does not have the estimated oil reserves the Respondent claimed for Cobra.

14. In promotional materials distributed in support of sales of Cobra shares, the Respondent omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading when he failed to disclose to potential investors:

a. On or around November 7, 1991, the Securities and Exchange Commission ("SEC") revoked Rapholz's registration as an Investment Advisor for a minimum of 10 years;

b. Public records indicate the reasons for the revocation were omissions and misrepresentations to clients of a fund Rapholz established and operated;

c. Rapholz was suspended by the SEC in 1984 for selling over eight hundred thousand dollars ($800,000.00+) of unregistered securities; and

d. Rapholz has no demonstrable experience in oil and natural gas exploration and production.

15. On or about November 5, 2009, a subpoena was served on the Respondent by certified mail.

16. In his written response to the subpoena, dated November 11, 2009, the Respondent made statements that are known to be false, including the following:

"As for drilling 39 wells in Montana and hitting every one: I would not be surprised if they drilled 500 wells and every one hit 'pay-dirt'. I've been approving that type of information for several years on two other oil tar sands companies; Kodiac Energy and Tamo Oil. You have to realize that CGCA is not drilling oil wells. They are drilling in oil tar sands…"

17. The above response to the subpoena by the Respondent is false because:

a. The Respondent's response obfuscated a key point of the promotional material that he claims he personally reviewed and approved. His promotional material clearly alleges that Cobra has rights to oil sands in Utah and also to conventional

oil deposits in Montana. Yet in his response to the subpoena, instead of providing the information requested which concerned the Respondent's claim of total success by Cobra in conventional oil drilling in Montana, the Respondent chose to provide information regarding the alleged recovery of oil from oil sands in Utah;

b. The process of oil recovery from oil sands is very different from conventional oil recovery, was not relevant to the response the Respondent was asked to provide, and was not accurate as provided; and

c. Upon information and belief, Cobra has not drilled any oil wells in Montana.

18. On or about November 5, 2009, Cobra changed its name to Viper Resources, Inc. ("Viper"). Viper is a publicly traded company and uses the stock symbol VPRS.

19. During the time period alleged herein, the Respondent transacted business in this State as an investment adviser when he, for compensation, engaged in the business of advising others as to the value of Cobra stock and/or the advisability of investing in or purchasing Cobra stock.

20. During the time period alleged herein, the Respondent transacted business in this State as an investment adviser when he, for compensation, and as a part of a regular business, issued or promulgated analyses or reports concerning securities.

21. During the time period alleged herein, the Respondent was not registered under the Act as an investment adviser.

22. No claim of an exemption, exception, preemption, or exclusion from registration has been asserted by the Respondent, or by another on his behalf, which would have negated the requirement that the Respondent register with the Division as an investment adviser prior to engaging in the transactions described above.

WHEREAS, the shares of stock described in the Respondent's promotional materials are "securities" within the meaning of S.C. Code Ann. § 35-1-102(29); and

WHEREAS, the Respondent, in connection with the offer of the shares of stock described in the Respondent's promotional materials employed a device, scheme, or artifice to defraud and/or made untrue statements of material facts and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

WHEREAS, the Respondent, as described above, engaged in the business of advising others as to the value of securities or the advisability of investing in, purchasing, or selling securities and/or, for compensation and as a part of a regular business, issued or promulgated analyses or reports concerning securities; and

WHEREAS, the Respondent was not registered or exempt from registration as an investment adviser within the meaning of the Act; and

WHEREAS, based on the foregoing, the Division has determined that the Respondent has engaged, is engaging, and/or is about to engage in acts and practices which violate S.C. Code Ann. §§ 35-1-403(a) and 35-1-501; and

WHEREAS, after due deliberation, the Division finds that it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to issue the following Order:

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that Respondent James L. Rapholz, Jr. and every successor, affiliate, control person, agent, servant, and employee of him, and every entity owned, operated, or indirectly or directly controlled by or on behalf of him:

a. Immediately cease and desist from transacting business in this State in violation of the Act, and in particular, Sections 35-1-403(a) and 35-1-501 thereof; and

b. Pay a civil penalty in the amount of ten thousand dollars ($10,000.00) if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and a hearing officer or any other legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars ($10,000.00) for each violation of the Act by the Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order a written Answer specifically requesting that a hearing be held to consider rescinding the Order.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation of the Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

Failure by the Respondent to file a written request for a hearing in this matter within the thirty (30) day period stated above shall be deemed a waiver by the Respondent of his right to such a hearing. Failure of the Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to the Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PROSECUTION. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508 OR OTHER APPLICABLE CODE SECTION.

SO **ORDERED,** This 10th day of February, 2010.

/ S / Tracy A. Meyers
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