

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA.

JUN 28 2007

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
American Liberty Insurance & Financial )  
Services, an unincorporated entity; )  
LightHouse Marketing Incorporated, an )  
Oklahoma corporation; and Travis Ray )  
Winnett, an individual, )  
 )  
Defendants. )

PATRICIA PRESLEY, COURT CLERK  
by \_\_\_\_\_  
DEPUTY

Case No. CJ-2007-5605

**PETITION FOR PERMANENT INJUNCTION**  
**AND OTHER EQUITABLE RELIEF**

COMES NOW the Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, ("Department"), and for its claims against the above-named Defendants, alleges and states as follows:

**OVERVIEW**

1. This case involves violations of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), by American Liberty Insurance & Financial Services; LightHouse Marketing Incorporated; and Travis Ray Winnett ("Defendants"). Specifically, the Department alleges Defendants have offered and sold unregistered securities in violation of Section 1-301 of the Act, failed to register as an agent in violation of Section 1-402 of the Act, employed an unregistered agent in violation of Section 1-

402 of the Act, and/or perpetrated fraud in connection with the offer, sale or purchase of securities in violation of Section 1-501 of the Act.

2. As alleged below, Defendants offer "loan financing savings plans" ("Savings Plans"). The Savings Plans are purportedly offered in cooperation with a Claremore bank. Investors are promised returns of 8-10% on their investments when in actuality, the funds are being deposited into Travis Ray Winnett's personal account and withdrawn to pay personal expenses.

### **JURISDICTION**

3. The Administrator of the Department brings this action pursuant to Section 1-603 of the Act and is the proper party to bring this action against the Defendants.

4. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer, sale, and purchase of securities, are subject to the provisions of the Act. By virtue of their transaction of business by contract and otherwise and commission of other acts in this state, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

5. Defendants have engaged and are engaging in acts and practices in violation of the Act. Unless enjoined, they will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

### **DEFENDANTS**

6. American Liberty Insurance & Financial Services ("ALF") is an unincorporated entity, with its principal place of business purportedly in Tulsa, Oklahoma. At all times material hereto, ALF issued, offered and/or sold securities in and/or from Oklahoma as described herein.

7. LightHouse Marketing, Inc. ("LightHouse Marketing") is an Oklahoma corporation, with a business address in Catoosa, Oklahoma. At all times material hereto, LightHouse Marketing issued, offered and/or sold securities in and/or from Oklahoma as described herein.

8. Travis Winnett ("Winnett"), an individual and Oklahoma resident, is the registered agent of LightHouse Marketing and controls all acts of ALF. At all times material hereto, Winnett offered and/or sold securities in and/or from Oklahoma as described herein.

### **NATURE OF THE CASE**

9. Beginning in or about November, 2006, and continuing to the present, Defendants have engaged in the issuance, offer and/or sale of securities in and/or from the state of Oklahoma to investors ("Investors"), in the nature of loan financing savings plans. Defendants falsely represent that the Savings Plans are offered in cooperation with RCB Bank located in Claremore, Oklahoma, with a branch operating in Catoosa, Oklahoma.

10. ALF offers two Savings Plans that purportedly place Investor funds in an FDIC-insured savings account at RCB Bank. Investors sign a contract ("Contract") provided by ALF that allows them to choose between an 8% simple annual interest savings plan for each of five (5) years ("5 X 8 Plan") or a 10% simple annual interest savings plan for each of six (6) years ("6 X 10 Plan").

11. In connection with the 5 X 8 Plan, Investors may elect to receive monthly, quarterly, semi-annually, year-end or no interest distributions. The 6 X 10 Plan offers a 15% "end-of-contract bonus" with a \$25,000 minimum initial deposit or a "30% end-of-contract bonus" with a \$50,000 or more initial deposit. Defendants represent in the Contract that Investors' "funds are FDIC-insured to \$100,000 in accordance with standard FDIC terms."

12. Investor funds totaling in excess of \$800,000 have been deposited into a non-interest bearing account at RCB Bank controlled by Defendant Winnett. Defendants have not invested the Investor funds. Defendants have spent amounts deposited by Investors primarily for the payment of personal expenses of the Defendants.

### **FIRST CAUSE OF ACTION**

#### **(Violation of Section 1-301 of the Act: Offer and/or Sale of Unregistered Securities)**

13. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 12 above.

14. The Savings Plans are securities as defined by Section 1-102 of the Act.

15. The securities offered and sold by Defendants are not and have not been registered under the Act nor have the securities been offered or sold pursuant to an exemption from registration under Sections 1-201 through 1-203 of the Act.

16. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-301 of the Act.

### **SECOND CAUSE OF ACTION**

#### **(Violation of Section 1-402 of the Act: Failure to Register as Agents and Employing Unregistered Agents)**

17. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding cause of action.

18. ALF is an issuer as defined in Section 1-102 of the Act.

19. Defendant Winnett is not registered under the Act as an agent under Section 1-402 of the Act.

20. Defendant Winnett, by virtue of his efforts and activities in transacting business in this state, is an agent, as defined in Section 1-102 of the Act. Defendant Winnett transacted and is transacting business in this state as an agent without benefit of registration under the Act.

21. ALF employed at least one unregistered agent.

22. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-402 of the Act.

### **THIRD CAUSE OF ACTION**

#### **(Violation of Section 1-501 of the Act: Untrue Statements of Material Fact and Omissions of Material Fact in Connection With Offer, Sale or Purchase of Securities)**

23. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

24. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, made, and are making, untrue statements of material fact including, but not limited to the following matters:

- a. that Defendants provide two loan financing savings plans in cooperation with RCB Bank when, in fact, the RCB Bank is not working in cooperation with the Defendants, and
- b. Defendants have not invested the Investors' funds in any manner to generate the promised returns.

25. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, omitted and are omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were and are made, not misleading, including, but not limited to, the following matters:

- a. any general or specific risk factors associated with the Savings Plans;
- b. that the Savings Plans are securities under the Act;
- c. that the Savings Plans have not been and are not registered under the Act;
- d. that the individuals who offer and sell the Savings Plans were not and are not registered under the Act;
- e. that the Defendants are unable to pay the promised returns; and
- f. that Defendants would use Investor funds for the payment of personal expenses of the Defendants.

26. By reason of the foregoing, Defendants, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

#### **FOURTH CAUSE OF ACTION**

**(Violation of Section 1-501 of the Act:  
Engaging in any Act, Practice, or Course of Business Which Operates or  
Would Operate as a Fraud or Deceit upon any Person)**

27. The Department realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

28. Defendants, in connection with the offer, sale or purchase of securities, and through the use of the untrue statements of material fact and the omissions of material fact described in paragraphs 24 and 25 above, have engaged and are engaging in an act, practice, or course of business that has operated and continues to operate as a fraud or deceit upon other persons.

29. By reason of the foregoing, Defendants, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

## PRAYER FOR RELIEF

Defendants have engaged in acts and practices in violation of the Act and have, as a result of these activities, received a substantial amount of money from Investors. Unless enjoined, Defendants will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object. A danger exists that the money received by Defendants from the Investors or money or securities held by Defendants on behalf of the Investors will be lost, removed or transferred. A temporary restraining order to issue *instanter* and temporary and permanent injunctions to issue against Defendants are necessary to preserve the money received and money or securities held and the records relating thereto and to prevent further violations of the Act.

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 1-603 of the Act, the Department prays for the court to grant the following relief:

### I.

A temporary restraining order to issue *instanter* and a temporary and permanent injunction, restraining and enjoining the Defendants, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the restraining order or temporary and/or permanent injunction, by personal service, facsimile or otherwise, and each of them from offering and selling any security in this state including, but not limited to the Savings Plans;

II.

An order prohibiting Defendants, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the order, by personal service, facsimile or otherwise, and each of them from tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to Defendants or any financial transactions by Defendants or to which Defendants were parties;

III.

An order *instanter* freezing the assets of Defendants and ordering that all banks, depository institutions, brokerage firms, or other financial institutions comply with the Court's order;

IV.

An order *instanter* requiring Defendants to file with this Court and to serve on Plaintiff, within fifteen (15) days of the filing of this petition, an accounting, under oath, detailing all of their assets and detailing all funds received from Investors and the disposition and/or use of those funds;

V.

An order requiring Defendants to make restitution to any and all Investors who purchased securities from Defendants or who transferred money to Defendants for the purpose of participating in the Savings Plans or otherwise making investments on their behalf;

VI.

An order requiring Defendants, their agents, servants, employees, assigns, and all persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, to disgorge all ill-gotten gains;

VII.

An order imposing a civil penalty against Defendants in the amount of Fifty Thousand Dollars (\$50,000.00) each; and

VIII.

Such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES  
Irving L. Faught, Administrator

By:



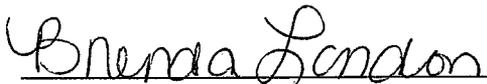
Amanda Cornmesser (OBA #20044)  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

STATE OF OKLAHOMA )  
 )  
COUNTY OF OKLAHOMA ) SS.

Irving Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing Petition for Permanent Injunction and Other Equitable Relief and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information and belief.

(SEAL)   
Irving L. Faught, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

Subscribed and sworn to before me this 28 day of June, 2007.

(NOTARIAL SEAL)   
Notary Public

