

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )

Plaintiff. )

v. )

Timothy Broadous, individually and )  
*dba* Embassy Ventures, Ltd. and )  
Embassy Investments & Securities, Inc. )  
Sheri Broadous, an individual and )  
*dba* Embassy Ventures, Ltd., )  
Embassy Ventures, Ltd. )  
an Oklahoma corporation, )  
Embassy Investments and Securities, Inc., )  
an Oklahoma corporation, )  
Roddy Howald, an individual, )  
and Edward Hunt, an individual, )

Defendants. )

JUL - 8 2008

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

Case No. CJ-2008-572

**APPLICATION TO ESTABLISH PROCEDURE TO  
NOTIFY INVESTORS TO MAKE CLAIMS**

Comes now the Plaintiff and requests that the Court enter an order establishing a procedure to notify those persons (Investors), who invested money with Defendants, that they are required to file a proof of claim setting forth the nature and amount of their investments. In support of this Application, Plaintiff would show the Court as follows:

1. On January 18, 2008, Plaintiff filed a *Petition for Permanent Injunction and Other Equitable Relief* (Petition) against Defendants Timothy Broadous, Sheri Broadous, Embassy Ventures, Ltd., Embassy Investments and Securities, Inc., Roddy Howald, and Edward Hunt.

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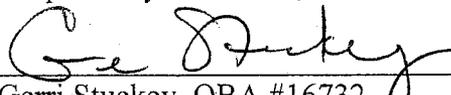
1. On January 18, 2008, Plaintiff filed a *Petition for Permanent Injunction and Other Equitable Relief* (Petition) against Defendants Timothy Broadous, Sheri Broadous, Embassy Ventures, Ltd., Embassy Investments and Securities, Inc., Roddy Howald, and Edward Hunt.

2. The Petition included a prayer for restitution to Investors from Defendants Timothy Broadous, Sheri Broadous, Embassy Ventures, Ltd., and Embassy Investments and Securities, Inc.

3. In order to determine the amount of money invested by Investors, Plaintiff has prepared a notice and claim form to mail by regular mail to all Investors known to Plaintiff. See Exhibit A.

WHEREFORE, Plaintiff respectfully requests that this Court enter an order establishing a procedure, as set forth herein, to notify Investors to make claims and for such other and further relief as this Court deems just and equitable.

Respectfully submitted,



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Gerri Stuckey, OBA #16732  
Amanda Cornmesser, OBA #20044  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
Telephone (405) 280-7700  
Fax (405) 280-7742  
Attorney for Plaintiff

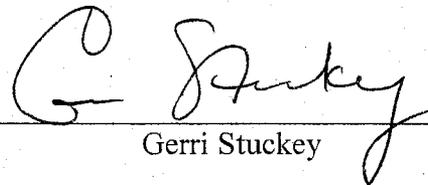
CERTIFICATE OF MAILING

This is to certify that on the 8<sup>th</sup> day of July, 2008, the foregoing was sent by U.S. Mail, first class, postage prepaid, to:

Jerry Williams  
Balogh Cherry Mitchell & Williams  
324 S. Main, Ste. 601  
Tulsa, OK 74103-3682  
*Counsel for Defendants Timothy and Sheri Broadous,  
Embassy Ventures, Ltd, and Embassy Investments and Securities, Inc.*

Richard Badillo  
Badillo Law Firm PLLC  
240 W. 15<sup>th</sup> Street  
Tulsa, OK 74119  
*Attorney for Defendant Roddy Howald*

Edward G. Hunt  
10614 E. 34<sup>th</sup> Place  
Tulsa, OK 74146  
*Pro se*

  
Gerri Stuckey

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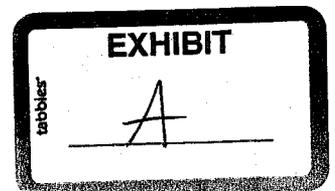
**NOTICE AND DEADLINE TO FILE PROOF OF CLAIM**

TO ALL INVESTORS WHO MAY HAVE CLAIMS AGAINST TIMOTHY BROADOUS, EMBASSY VENTURES, LTD., EMBASSY INVESTMENTS AND SECURITIES, INC., OR SHERI BROADOUS, PLEASE REVIEW THIS NOTICE CAREFULLY AS YOUR RIGHTS MAY BE AFFECTED.

On January 18, 2008, the Oklahoma Department of Securities filed a civil lawsuit against Timothy Broadous, Sheri Broadous, Embassy Ventures, Ltd., Embassy Investments and Securities, Inc., Roddy Howald, and Edward Hunt, alleging violations of the Oklahoma Securities Act, including fraud.

In its case, the Department requested that Defendants Timothy Broadous, Sheri Broadous, Embassy Ventures, Ltd., and Embassy Investments and Securities, Inc., (collectively "Defendants") pay restitution to investors. However, restitution has not yet been ordered by the Court and the Department does not know whether restitution will in fact be ordered. Additionally, the Department does not have complete information to know if funds will be available for restitution.

On August 15, 2007, Timothy Broadous filed for bankruptcy protection in the United States Bankruptcy Court for the Northern District of Oklahoma, case number 07-



11582-R. The Department filed an adversary proceeding objecting to the discharge of any of Mr. Broadous's debts incurred in connection with the securities fraud as alleged in this lawsuit. Mr. Broadous subsequently waived his right to receive a discharge of these debts. Therefore, any restitution order resulting from the Department's civil case will retain its full force and effect.

In this process, the Department is seeking to verify the identity of all investors and the total amount of their investments. Records indicate that you may have a claim against Defendants. Enclosed is a claim form for your completion if you have made an investment with the Defendants. The Department will need documentation of any payment(s) made to the Defendants, and any payment(s) received from the Defendants. Be sure to keep a copy of the claim, and any attached documents, for your records.

Please note that this claims process is separate from the bankruptcy claims process. To have your lost principal included in the Department's restitution order, you must return the attached claim form as described below.

**The deadline for submitting your claim is August 15, 2008. IF YOU DO NOT TIMELY SUBMIT A CLAIM WITH SUPPORTING DOCUMENTATION, YOU WILL NOT BE INCLUDED IN THE RESTITUTION ORDER IN THIS MATTER.** If you have any questions, please note those on the returned form. You may access information about the case at [www.securities.ok.gov](http://www.securities.ok.gov). Select "Enforcement Division," "Actions," and type "Broadous."

**Address for claim form:**

**Gerri Stuckey  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7721**

BY ORDER OF THE COURT.

**Timothy Broadous, Sheri Broadous,  
Embassy Ventures, Ltd.,  
Embassy Investments and Securities, Inc.,**

**PROOF OF CLAIM**  
District Court of Oklahoma County  
State of Oklahoma  
Case No. CJ-2008-572

PLEASE READ INSTRUCTIONS CAREFULLY, DEADLINE FOR FILING PROOF OF CLAIMS IS AUGUST 15, 2008.

<b>PART 1 Person Making Claim (Claimant)</b>	
a. Claimant: NAME/ADDRESS	
Name _____	Name of Joint Account Holder _____
Mailing Address _____	Are you represented by an Attorney? _____
City/State/Zip Code _____	State Attorney's name, address and telephone number: _____ _____
Home Phone _____ Work Phone _____	_____
E-Mail _____	_____

<b>PART 2 Claim Information</b>																			
a. Who is your claim against? (Mark all that apply.)	b. Amount Invested:																		
<input type="checkbox"/> Timothy Broadous <input type="checkbox"/> Embassy Investments and Securities, Inc. <input type="checkbox"/> Embassy Ventures, Ltd. <input type="checkbox"/> Sheri Broadous <input type="checkbox"/> Other, please specify: _____	<table border="1"> <thead> <tr> <th>Investment Date</th> <th>Amount Invested</th> <th>Form of Payment</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table> <p>Total Investment: \$ _____</p> <p><small>*You <b>MUST</b> provide supporting documentation in the form of canceled checks, cash receipts, copies of cashier's checks, wire transfer documentation, and/or monthly or quarterly statements regarding the investment.</small></p>	Investment Date	Amount Invested	Form of Payment	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
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c. Have any of the persons/entities listed in Part 2a paid any money to you? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, specify the amount you received:	d. Amount of Claim:																		
<table border="1"> <thead> <tr> <th>Receipt Date</th> <th>Amount Received</th> <th>Form of Payment</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table> <p>Total Received: \$ _____</p>	Receipt Date	Amount Received	Form of Payment	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	<p>\$ _____</p> <p>If the Amount of Claim is different than the difference between the money you invested (the total from subsection b) and any money you received (the total from subsection c), please explain:</p>
Receipt Date	Amount Received	Form of Payment																	
_____	_____	_____																	
_____	_____	_____																	
_____	_____	_____																	
_____	_____	_____																	
_____	_____	_____																	

**PART 3**

a. What were you told about the investment of your money?

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b. What was the source of your investment funds?

- Retirement funds/IRA     CD's/Money Market Account, etc.     Personal Savings  
 Liquidated Property     Inheritance     Other: \_\_\_\_\_

c. Is your claim a secured claim?     Yes                       No  
If yes, specify all security for such claim: \_\_\_\_\_

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d. Is your claim the subject of legal action (a lawsuit)?     Yes                       No  
If yes, specify the Court in which the legal action is pending: \_\_\_\_\_  
Case Number: \_\_\_\_\_  
And all parties and attorneys: \_\_\_\_\_

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e. Did you invest money on behalf of anyone else?     Yes                       No  
If yes, specify the name, address, phone number and amount invested: \_\_\_\_\_

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f. Were you provided documents of any kind regarding your investments?     Yes                       No  
If yes, please describe and attach: \_\_\_\_\_

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g. Do you know of anyone else who invested money with the persons or entities listed in part 2a?  
If yes, please provide their name, address, and phone number? \_\_\_\_\_

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**THE AFFIRMATION THAT FOLLOWS MUST BE COMPLETED.**

PROOF OF CLAIM

Timothy Broadous, Embassy Ventures, Ltd.,  
Embassy Investments and Securities, Inc., Sheri Broadous

District Court of Oklahoma County, State of Oklahoma; Case No. CJ-2008-572

AFFIRMATION

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss:

The undersigned subscribes and affirms as true under the penalties of perjury as follows: that he or she has read the foregoing Proof of Claim and knows the contents thereof; that this claim in total amount of \$\_\_\_\_\_ against Timothy Broadous, Embassy Ventures, Ltd., Embassy Investments and Securities, Inc., and/or Sheri Broadous, is justly owing to the Claimant; that the answers and information set forth in my Proof of Claim and in any accompanying statements and supporting documents are true and correct; that no payment of or on account of the aforesaid claim has been received except as above stated; and that there are no set offs or counterclaims thereto except as above stated.

\_\_\_\_\_  
Claimant (signature)

\_\_\_\_\_  
Title or Official Capacity (if any)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

(Seal)  
\_\_\_\_\_  
Notary Public

Commission No: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**IMPORTANT NOTICES**

- A. Proof of Claim must be properly signed and sworn to before a Notary Public or person authorized to administer oaths.
- B. Deadline: All Proofs of Claim must be postmarked no later than **August 15 2008**. The Oklahoma Department of Securities (Department) is not responsible for undelivered mail. To protect your claim, the Department recommends that you send your Proof of Claim by certified and/or registered mail.
- C. If you have a change of address, you are required to inform the Department of the new address.
- D. You MUST attach to your Proof of Claim documents or evidence supporting your claim. Failure to provide sufficient documentation or evidence supporting your claim is grounds for denial of the claim.
- E. Return your completed Proof of Claim form and supporting documentation to:

Gerri Stuckey  
Oklahoma Department of Securities  
First National Center, Suite 860  
120 North Robinson  
Oklahoma City, OK 73102

- F. The Department suggests you keep a copy of the completed Proof of Claim, including supporting documents, for your records.
- G. If you have any questions about the Proof of Claim procedure, you may call Gerri Stuckey at 405-280-7721 or Amanda Cornmesser at 405-280-7725.
- H. Claims Approval Procedure:
  - i) Within such period as the court may establish, the Department will prepare and file a report setting forth the Claimants, amount of claims, and Department's recommendation with respect to each claim.
  - ii) Upon the filing of such report, the court will schedule a time for a hearing on the report. If you file a Proof of Claim, you will receive notice of the hearing and such other information concerning the report and hearing as the court deems appropriate under the circumstances. In addition to such other information which may be provided, if, for any reason, the Department does not recommend acceptance of a claim as filed by the Claimant, such Claimant will be advised of the Department's recommendation regarding such claim.
  - iii) The court will make the final determination as to whether claims are allowed or disallowed.