

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 Global West Funding, Ltd., Co., Global West Financial LLC, Sure Lock Financial, LLC, Sure Lock Loans LLC, The Wave-Goldmade Ltd., Heritate Estate Service LLC, Storybook Properties, LLC, Storybook Investments WA LLC, Brian McKye, Joe Don Johnson, James Farnham and Matthew G. Story (collectively, "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 a broker-dealer in violation of Section 1-401 of the Act, failed to register as an agent in violation of Section 1-402 of the Act, employed unregistered agents in violation of Section 1-402 of the Act, and/or perpetrated a 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 are operating a "ponzi" scheme. The term "ponzi scheme" refers to an investment scheme whereby returns to investors are financed, not through the success of an underlying business venture, but from the principal sums of newly attracted investors. Initial investors are paid the promised returns, thereby attracting additional investors who lose their principal when the scheme eventually collapses.

JURISDICTION

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

4. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer and/or sale of securities in and/or from this state, are subject to the provisions of the Act. By virtue of their activities in this state, as described herein, Defendants

are subject to the jurisdiction of this Court and to service of summons within this state and outside of this state.

5. Venue is proper in this county.

ADDITIONAL DEFENDANTS

6. Heritage Estate Service LLC (“Heritage”) is an Oklahoma limited liability company with its principal place of business in Oklahoma City, Oklahoma. At all times material hereto, Heritage offered and/or sold securities in and/or from Oklahoma as described herein. Heritage was previously named as a Relief Defendant in the Petition but further investigation revealed actual offers and sales of securities by Heritage. Defendant Joe Don Johnson controls all acts of Heritage.

7. Storybook Properties, LLC (“Storybook Properties”) is a California limited liability company with its principal place of business in California. At all times material hereto, Storybook Properties issued, offered and/or sold securities in and/or from Oklahoma as described herein.

8. Storybook Investments WA LLC (“Storybook WA”) is a Washington limited liability company and purportedly a division of Storybook Properties. At all times material hereto, Storybook WA issued, offered and/or sold securities in and/or from Oklahoma as described herein.

9. Matthew G. Story (“Story”), an individual and California resident, is the registered agent and principal of Storybook Properties and is the Managing Member of Storybook WA. At all times material hereto, Story offered and/or sold securities in and/or from the state of Oklahoma as described herein.

EXPANDED NATURE OF THE CASE

Heritage Estate Service LLC

10. From an indeterminate time to the present, Heritage and Johnson have engaged in the issuance, offer and/or sale of securities in and/or from the state of Oklahoma to Investors in the nature of the Investment Notes issued by Defendants Global West Funding, Ltd., Co., Global West Financial, LLC, Sure Lock Financial, LLC, Sure Lock Loans LLC.

11. Like the other Defendants, Heritage represents to Investors that interest will be paid monthly in sums of between eight percent (8%) and nineteen percent (19%), for a period of sixty (60) months; that Investors have “100% total control” of their money; that the investments are secured by real estate notes and are risk free; and that no commissions will be paid on the transactions. Heritage utilizes the same sales materials as the other Defendants.

12. From an indeterminate time to the present, Heritage received commissions on the sale of the Investment Notes.

Storybook Properties, LLC

13. From an indeterminate time to the present, Storybook Properties, Storybook WA, Story, Johnson and Farnham (“Storybook Defendants”) have engaged in the issuance, offer and/or sale of securities in and/or from the state of Oklahoma to investors (“Storybook Investors”) in the nature of promissory notes issued by Storybook Properties and Storybook WA (“Storybook Investment Notes”). To purchase a Storybook Investment Note, Storybook Properties and Storybook Investors sign an “Agreement and Promissory Note Earned Interest Compounding” (“Agreement”) provided by the Storybook Defendants.

14. Storybook Properties represents that it will provide a guaranteed minimum investment return of between 8% and 15% over a five year period. The return is to be paid in monthly payments or compounded annually. Storybook Defendants represent that the Storybook

Investments Notes are secured by “over-collateralized” investments in real property. Storybook Defendants represent that they do not pay or receive commissions on the transactions. The sales materials of Storybook Properties state that a Storybook Investor must give a sixty (60) day notice to withdraw their funds early, however, Storybook Properties “can usually replace your money with another investor’s in a matter of just a few days or weeks.”

15. Storybook Defendants offered to at least one Oklahoma resident free guaranteed elder care in a Storybook Properties “independent or assisted living campus.” This offer is purportedly valid “as long as [the Oklahoma resident is] a Storybook Investor.”

FIRST CAUSE OF ACTION AGAINST ADDITIONAL DEFENDANTS

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

16. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 15 above.

17. The Storybook Investment Notes are securities as defined by Section 1-102 of the Act.

18. The securities offered and sold by Defendant Heritage and the Storybook 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.

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

SECOND CAUSE OF ACTION AGAINST ADDITIONAL DEFENDANTS

(Violation of Section 1-401 of the Act: Failure to Register as Broker-Dealer)

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

21. Defendant Heritage is not registered in any capacity under the Act.

22. Defendant Heritage, by virtue of its efforts and activities in transacting business in and/or from this state, is a broker-dealer, as defined in Section 1-102 of the Act. Defendant Heritage transacted and is transacting business in and/or from this state as a broker-dealer without benefit of registration under the Act.

23. By reason of the foregoing, Defendant Heritage has violated, is violating, and unless enjoined, will continue to violate Section 1-401 of the Act.

THIRD CAUSE OF ACTION AGAINST ADDITIONAL DEFENDANTS

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

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

25. Defendant Story is not registered in any capacity under the Act.

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

27. Defendants Storybook Properties and Storybook WA are issuers as defined in Section 1-102 of the Act. Defendants Storybook Properties and Storybook WA employed agents

who were not registered under the Act to effect or attempt to effect purchases or sales of such issuers' securities in and/or from this state.

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

FOURTH CAUSE OF ACTION AGAINST ADDITIONAL DEFENDANTS

(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)

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

30. Defendants Heritage and Johnson, 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 Investors would receive guaranteed profits or returns on the Investment Notes in the nature of interest of between 8% and 19% when, in fact, Defendants have not invested the Investors' funds in any manner to generate such profits or returns;
- b. that the Investment Notes were secured by real estate when no real estate secures the Notes;
- c. that no commissions were paid for the Investment Notes when Defendants withdrew significant Investor funds for personal payments to Defendants;
- d. that Investors have "100% total control" of their money when Investors have no input after the Investment Note is purchased and Investors must rely completely on the judgment and discretion of the Defendants for the promised profit; and
- e. that Defendants have specialized knowledge and expertise to make the investments profitable when no action is taken by Defendants from which profit can be earned.

31. Defendants Heritage and Johnson, in connection with the offer and/or sale of securities, directly and indirectly, omitted and is 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 Investment Notes;
- b. that the Investment Notes are securities under the Act;
- c. that the Investment Notes have not been and are not registered under the Act;
- d. that the individuals who offer and sell the Investment Notes were not and are not registered as agents under the Act; and
- e. that Defendants would use Investor funds for the payment of personal expenses of the Defendants and for interest payments to earlier Investors.

32. The Storybook 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 Storybook Investors will receive guaranteed profits or returns on the Storybook Investment Notes in the nature of interest of between 8% and 15% when, in fact, the Storybook Defendants have not invested the Storybook Investors' funds in any manner to generate such profits or returns;
- b. that the Storybook Investment Notes were secured by real estate when no real estate secures the Storybook Investment Notes; and
- c. that no commissions are paid for the Storybook Investment Notes.

33. The Storybook 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 Storybook Investment Notes;
- b. that the Storybook Investment Notes are securities under the Act;
- c. that the Storybook Investment Notes have not been and are not registered under the Act; and

d. that the individuals who offer and sell the Storybook Investment Notes were not and are not registered as broker-dealers or agents under the Act.

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

FIFTH CAUSE OF ACTION AGAINST ADDITIONAL DEFENDANTS

(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)

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

36. Defendants Heritage and Johnson and the Storybook Defendants, in connection with the offer and/or sale of securities, and through the use of the untrue statements of material fact and the omissions of material fact described 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 Investors and Storybook Investors.

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

PRAYER FOR RELIEF

Defendant Heritage and the Storybook 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, Defendant Heritage and the Storybook 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 Defendant Heritage and the

Storybook Defendants from investors or money or securities held by Defendant Heritage and the Storybook Defendants on behalf of investors will be lost, removed or transferred. A temporary restraining order to issue *instanter* and temporary and permanent injunctions to issue against Defendant Heritage and the Storybook Defendants are necessary to preserve the money received and money or securities held, to preserve 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 temporary and permanent injunctions, restraining and enjoining Defendant Heritage and the Storybook 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 injunctions, by personal service, facsimile or otherwise, and each of them from offering and selling any security in and/or from this state including, but not limited to, the Investment Notes and/or the Storybook Investment Notes;

II.

An order *instanter* prohibiting Defendant Heritage and the Storybook 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 Defendant Heritage and the Storybook Defendants, the Investment Notes and/or the Storybook Investment Notes, or any other financial transactions by Defendant Heritage and the Storybook Defendants or to which Defendant Heritage and the Storybook Defendants were or are parties;

III.

An order *instanter* prohibiting Defendant Heritage and the Storybook 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 directly or indirectly, transferring, withdrawing, concealing, removing, destroying, or otherwise disposing of any and all assets;

IV.

An order *instanter* requiring Defendant Heritage and the Storybook Defendants to file with this Court and to serve on Plaintiff, within fifteen (15) days of the filing of this First Amendment To Petition for Permanent Injunction and Other Equitable Relief, 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 Defendant Heritage and the Storybook Defendants to make restitution to any and all Investors and Storybook Investors who purchased securities from Defendant Heritage and the Storybook Defendants or who transferred money to them for the purpose of purchasing the Investment Notes and Storybook Investment Notes or otherwise making investments on their behalf;

VI.

An order requiring Defendant Heritage and the Storybook 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 Defendant Heritage and the Storybook 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:

Patricia A. Labarthe, OBA #10391
Jennifer Shaw, OBA # 20839
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 First Amendment to 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.

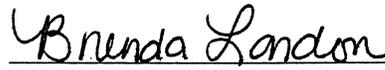
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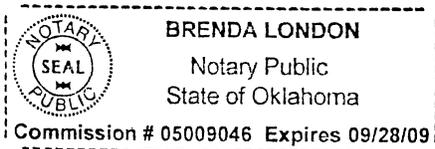
IRVING I. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 10th day of April, 2009.

(NOTARIAL SEAL)



Notary Public



IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

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

Plaintiff,)

v.)

Global West Funding, Ltd., Co.,)
an Oklahoma limited liability company;)
Global West Financial LLC,)
an Oklahoma limited liability company;)
Sure Lock Financial, LLC,)
an Oklahoma limited liability company;)
Sure Lock Loans LLC, an Oklahoma)
limited liability company;)
The Wave-Goldmade, Ltd.,)
an unincorporated association;)
Brian McKye, an individual;)
Joe Don Johnson, an individual; and)
James Farnham, an individual,)

Defendants,)

and)

Heritage Estate Service LLC,)
an Oklahoma limited liability company,)

Relief Defendant.)

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

MAR 24 2009

PATRICIA PRESLEY, COURT CLERK

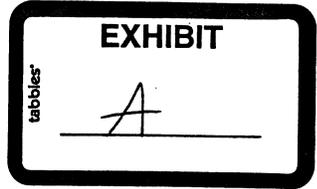
by _____
DEPUTY

Case No.

CJ -2009-2773

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 and the Relief Defendant, 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 Global West Funding, Ltd., Co., Global West Financial LLC, Sure Lock Financial, LLC, Sure Lock Loans LLC, The Wave-Goldmade Ltd., Brian McKye, Joe Don Johnson and James Farnham (collectively, "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 agents in violation of Section 1-402 of the Act, employed unregistered agents in violation of Section 1-402 of the Act, and/or perpetrated a 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 are operating a "ponzi" scheme. The term "ponzi scheme" refers to an investment scheme whereby returns to investors are financed, not through the success of an underlying business venture, but from the principal sums of newly attracted investors. Initial investors are paid the promised returns, thereby attracting additional investors who lose their principal when the scheme eventually collapses.

3. Heritage Estate Services, LLC ("Heritage" or "Relief Defendant") received cash and other property, and/or controls property, that are the proceeds, or are traceable to the proceeds, of the unlawful activities of Defendants, as alleged herein (collectively, "Investor Assets").

JURISDICTION

4. Plaintiff brings this action pursuant to Section 1-603 of the Act and is the proper party to bring this action against Defendants.

5. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer and/or sale of securities in and/or from this state, are subject to the provisions of the Act. By virtue of their activities in this state, as described herein, Defendants are subject to the jurisdiction of this Court and to service of summons within this state and outside of this state.

6. Venue is proper in this county.

DEFENDANTS

7. Global West Funding, Ltd., Co. (“GW Funding”) is an Oklahoma limited liability company, with its principal place of business in Oklahoma City, Oklahoma. At all times material hereto, GW Funding issued, offered and/or sold securities in and/or from Oklahoma as described herein.

8. Global West Financial LLC (“GW Financial”) is an Oklahoma limited liability company, with its principal place of business in Oklahoma City, Oklahoma. At all times material hereto, GW Financial issued, offered and/or sold securities in and/or from Oklahoma as described herein.

9. Sure Lock Financial, LLC (“Sure Lock Financial”) is an Oklahoma limited liability company, with its principal place of business in Oklahoma City, Oklahoma. At all times material hereto, Sure Lock Financial issued, offered and/or sold securities in and/or from Oklahoma as described herein.

10. Sure Lock Loans LLC (“Sure Lock Loans”) is an Oklahoma limited liability company, with its principal place of business in Oklahoma City, Oklahoma. At all times material hereto, Sure Lock Loans issued, offered and/or sold securities in and/or from Oklahoma as described herein.

11. The Wave-Goldmade, Ltd. ("TW Goldmade") is an unincorporated association, with its principal place of business in Oklahoma City, Oklahoma. At all times material hereto, TW Goldmade issued, offered and/or sold securities in and/or from Oklahoma as described herein.

12. Brian McKye ("McKye"), an individual and Oklahoma resident, is the registered agent of GW Funding, GW Financial, Sure Lock Financial and Sure Lock Loans and controls all acts of GW Funding, GW Financial, Sure Lock Financial and Sure Lock Loans. McKye controls all acts of TW Goldmade. At all times material hereto, McKye offered and/or sold securities in and/or from Oklahoma as described herein.

13. Joe Don Johnson ("Johnson"), an individual and Oklahoma resident, was an agent of Defendants and the Relief Defendant. At all times material hereto, Johnson offered and/or sold securities in and/or from Oklahoma.

14. James Farnham ("Farnham"), an individual and Oklahoma resident, was an agent of Defendants and the Relief Defendant. At all times material hereto, Farnham offered and/or sold securities in and/or from Oklahoma.

RELIEF DEFENDANT

15. Heritage Estate Service, LLC ("Heritage"), an Oklahoma limited liability company, is an affiliate of Defendants. At all times material hereto, Heritage received large amounts of money and property from Defendants.

NATURE OF THE CASE

16. From an indeterminate time 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 notes ("Investment Notes"). To purchase an Investment Note,

Defendants and Investors sign a "Premium 60 Account Agreement" (Agreement) provided by the Defendants. The Investment Notes are issued by GW Funding, GW Financial, Sure Lock Financial and/or Sure Lock Loans.

17. Defendants represent to Investors that interest will be paid monthly in sums of between eight percent (8%) and nineteen percent (19%), for a period of sixty (60) months. Defendants state that Investors have "100% total control" of their money. Defendants represent that the investments are secured by real estate notes and are risk free. Defendants purport to pay no commissions on the transactions. The sales materials of Defendants state that Defendant Global West Funding has an "IRS approved program to perform rollovers on traditional, Roth IRAs and/or 401K accounts." Defendants' sales materials offer and promote the opportunity for Investors to reinvest the interest earned on their investments for even greater earnings.

18. Defendants have not generated revenue from the Investor funds to cover the interest payments required by the Investment Notes. At all times material hereto, Defendants used funds received from more recent Investors to make payments to earlier Investors. Defendants have also spent Investor funds for the payment of business and personal expenses of the Defendants unrelated to the generation of legitimate investment revenue.

19. Since September, 2007, Investor funds totaling in excess of Two Million Dollars (\$2,000,000) have been deposited into an account at Bank of America in the name of Global West Funding, Ltd.

20. From an indeterminate time to the present, Relief Defendant received Investor funds from Defendants in the nature of cash for purported trust financing and commissions.

FIRST CAUSE OF ACTION AGAINST DEFENDANTS

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

21. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 20 above.

22. The Investment Notes are securities as defined by Section 1-102 of the Act.

23. 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.

24. 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 AGAINST DEFENDANTS

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

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

26. Defendants McKye, Johnson and Farnham are not registered in any capacity under the Act.

27. Defendants McKye, Johnson and Farnham, by virtue of their efforts and activities in transacting business in and/or from this state, are agents, as defined in Section 1-102 of the Act. Defendants McKye, Johnson and Farnham transacted and are transacting business in and/or from this state as agents without benefit of registration under the Act.

28. Defendants GW Funding, GW Financial, Sure Lock Financial, LLC, and Sure Lock Loans LLC, are issuers as defined in Section 1-102 of the Act. Defendants GW Funding, GW Financial, Sure Lock Financial, LLC, and Sure Lock Loans LLC, employed agents who were not registered under the Act to effect or attempt to effect purchases or sales of such issuers' securities in and/or from this state.

29. 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 AGAINST DEFENDANTS

(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)

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

31. 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 would provide guaranteed profits or returns on the Investment Notes in the nature of interest of between 8% and 19% when, in fact, Defendants have not invested the Investors' funds in any manner to generate such profits or returns;
- b. that the Investment Notes were secured by real estate when no real estate secures the Notes;
- c. that no commissions were paid for the Investment Notes when Defendants withdrew significant Investor funds for personal payments to Defendants and the Relief Defendant;
- d. that Investors have "100% total control" of their money when Investors have no input after the Investment Note is purchased and Investors must rely completely on the judgment and discretion of the Defendants for the promised profit; and

e. that Defendants have specialized knowledge and expertise to make the investments profitable when no action is taken by Defendants from which profit can be earned.

32. 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 Investment Notes;
- b. that the Investment Notes are securities under the Act;
- c. that the Investment Notes have not been and are not registered under the Act;
- d. that the individuals who offer and sell the Investment Notes were not and are not registered as agents under the Act; and
- e. that Defendants would use Investor funds for the payment of personal expenses of the Defendants and for interest payments to earlier Investors.

33. 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 AGAINST DEFENDANTS

**(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)**

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

35. Defendants, in connection with the offer and/or sale of securities, and through the use of untrue statements of material fact and the omissions of material fact described 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 Investors.

36. 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.

FIRST CAUSE OF ACTION AGAINST RELIEF DEFENDANT

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

38. Relief Defendant has received Investor Assets from one or more of the Defendants.

39. Relief Defendant has received and/or holds Investor Assets as part of and in furtherance of the securities violations alleged above. Under the circumstances, it is not just, equitable or conscionable for Relief Defendant to retain the Investor Assets. As a result, Relief Defendant has been unjustly enriched.

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, to preserve the records relating thereto and to prevent further violations of the Act.

Relief Defendant received a substantial amount of Investor Assets. A danger exists that such Investor Assets will be lost, removed or transferred. An order to issue *instanter* against Relief Defendant is necessary to preserve the Investor Assets, and the records relating thereto.

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 temporary and permanent injunctions, 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 injunctions, by personal service, facsimile or otherwise, and each of them from offering and selling any security in and/or from this state including, but not limited to, the Investment Notes;

II.

An order *instanter* prohibiting Defendants, Relief Defendant, 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 and/or the Investment Notes, or any other financial transactions by Defendants or to which Defendants were parties;

III.

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

IV.

An order *instanter* prohibiting Defendants, Relief Defendant, 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 directly or indirectly, transferring, withdrawing, concealing, removing, destroying, or otherwise disposing of any and all assets;

V.

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; and an order *instanter* requiring the Relief Defendant to file with this Court and to serve on Plaintiff, within fifteen (15) days of the filing of the Petition, an accounting, under oath, detailing all Investor funds received or held by the Relief Defendant, and detailing the disposition and/or use of those Investor funds;

VI.

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 purchasing the Investment Notes or otherwise making investments on their behalf;

VII.

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; and an order requiring the Relief Defendant, and all persons, directly or indirectly, acting on its behalf, under its direction and control, and/or in active concert or participation with it, to disgorge any and all Investor funds received or held by the Relief Defendant, for which the Relief Defendant gave little or no consideration, or to which the Relief Defendant has no legitimate claim;

VIII.

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

IX.

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:


Patricia A. Labarthe, OBA #10391
Jennifer Shaw, OBA # 20839
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)
SS.

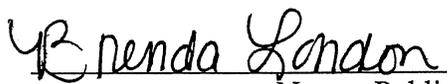
Irving Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing Petition for Permanent Injunction and Other Equitable Relief and knows the contents thereof, and that the matters and things stated 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 24th day of March, 2009.

(NOTARIAL SEAL)


Brenda London
Notary Public


BRENDA LONDON
Notary Public
State of Oklahoma
Commission # 05009046 Expires 09/28/09