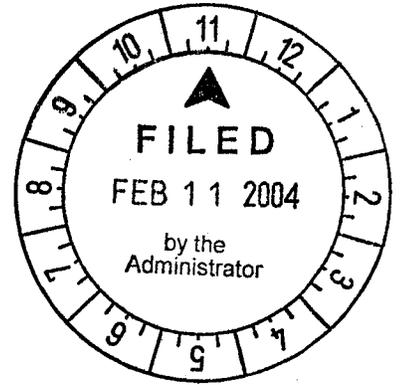


STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
THE FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

FIIK Investment & Holdings, Inc.,  
Edgar M. Bias and Thomas E. Dunn

Respondents.

ODS File No. 03-048

**ORDER TO CEASE AND DESIST**

On December 31, 2003, a recommendation to issue an order to cease and desist (Recommendation) against FIIK Investment & Holdings, Inc. (FIIK Investment), Edgar M. Bias (Bias) and Thomas E. Dunn (Dunn) (collectively, the "Respondents") was filed with the Administrator (Administrator) of the Oklahoma Department of Securities (Department). The issuance of such order is authorized by subsection (a) of Section 406 of the Oklahoma Securities Act (Act), Okla. Stat. Ann. tit. 71, §§ 1-413, 501, 701-703 (West 2004).

On December 31, 2003, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice). Pursuant to subsection (h) of Section 413 of the Act, the Notice was served on the Administrator of the Department on December 31, 2003, and mailed to the last known addresses of Respondents at 2590 North Loop West, Suite 500, Houston, Texas 77092, by certified mail, return receipt requested, and delivery restricted. On January 15, 2004, the Notices were returned marked "Returned To Sender, No Such Number."

The Notice specified that failure to request a hearing within fifteen (15) days of service will result in the issuance of an order to cease and desist. No request for hearing or any other response has been received by the Administrator within the time limits specified in the Notice.

The Administrator, being fully advised in the premises, hereby finds that this action is necessary and appropriate in the public interest and sets forth the following Findings of Fact and Conclusions of Law in support thereof.

## Findings of Fact

1. At all times material hereto, Bias was the Chief Executive Officer (CEO) and a Director of FIIK Investment.

2. At all times material hereto, Dunn was engaged in the business of seeking investors on behalf of FIIK Investment.

3. At all times material hereto, neither Bias nor Dunn were registered under the Act to transact business in the state of Oklahoma as agents of a broker-dealer or an issuer.

4. According to the agreement (the "Agreement") provided to certain Oklahoma residents (Investors), FIIK Investment was engaged in the business of acquiring, developing and managing corporations to acquire restaurant franchises. Further, FIIK Investment represented that it was developing funding relationships that would "permit it to acquire and merge various restaurant franchises into a single holding entity for the purpose of establishing and re-marketing a Restaurant REIT."

5. At all times material hereto, the business address of FIIK Investment was 2950 North Loop West, Suite 500, Houston, Texas.

6. In April 2000, Dunn advised Investors that FIIK Investment was seeking investors for a "high-return, no-risk" investment. Dunn represented that FIIK, acting through an "asset management program" (AMP), intended to "locate, negotiate, finance, develop and manage" restaurants. The restaurants would be merged into a "larger consortium via a publicly traded company" to establish and re-market a "Restaurant REIT." Investor funds would be used to secure a line of credit from which funds could be drawn to develop and manage the AMP. Further, FIIK Investment would control and manage all aspects of the investment.

7. Dunn provided Investors with the Agreement that presented a forty-five (45) day investment opportunity in the AMP (Investment Opportunity). At the end of the forty-five (45) day period, Investors were to receive a return of principal plus interest of nine percent (9%) per annum for the use of their funds. Additionally, Investors were to "share in the total return of the AMP" in "an amount equal to THIRTY (30%) of the original FUNDS" provided by Investors. Investors were simply required to deliver their money and wait passively to receive their investment return. On April 17, 2000, Investors executed the Agreement and sent \$100,000 to FIIK Investment by means of a wire transfer. The Agreement was executed by Bias as the CEO and Director of FIIK Investment.

8. In November 2000, FIIK Investment sent Investors a cashier's check in the amount of \$100,000. The cashier's check, dated November 1, 2000, was issued by Partner Bank, AD, of Podgorica, Montenegro. Investors deposited the cashier's check on November 3, 2000. On November 16, 2000, Investors were notified by their bank

that the cashier's check was "uncollectable."

9. To date, Investors have not received the principal amount of their original investment or any interest or other return on their investment.

10. The Investment Opportunity was not registered pursuant to Section 301 of the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

11. Respondents, directly and indirectly, made untrue statements of material fact in connection with the offer and sale of the Investment Opportunity including, but not limited to, the following:

- a. that the investment was a "high-return, no-risk" investment;
- b. that investors would receive a return of their investment after 45 days; and
- c. that investors would earn interest on their investment.

12. Respondents omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in connection with the offer and sale of the Investment Opportunity including, but not limited to, the following:

- a. that the Investment Opportunity was a security;
- b. that the Investment Opportunity was not registered as a security or exempt from registration under the Act;
- c. that Respondents Bias and Dunn were not registered as broker-dealer or issuer agents under the Act; and
- d. the risks involved with the Investment Opportunity.

13. Based upon the foregoing violations of the Act, it is in the public interest to issue an order to cease and desist against Respondents.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

### **Conclusions of Law**

1. The Investment Opportunity is a security under Section 2 of the Act.

2. Respondents offered and sold unregistered securities in the state of Oklahoma, in violation of Section 301 of the Act.

3. Respondents Bias and Dunn transacted business in the state of Oklahoma as agents without being registered under the Act, in violation of Section 201 of the Act.

4. Respondent FIK Investment employed agents to transact business in the state of Oklahoma who were not registered under the Act, in violation of Section 201 of the Act.

5. Respondents made untrue statements of material facts and omitted to state material facts in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of Section 101(2) of the Act.

6. Respondents engaged in an act, practice or course of business that operated as a fraud or deceit in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of Section 101(3) of the Act.

7. The Administrator has the authority under Section 406 of the Act to order Respondents to cease and desist from engaging in violations of the Act.

8. It is in the public interest to order Respondents to cease and desist from engaging in violations of the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

**ORDER**

**IT IS HEREBY ORDERED** that Respondents cease and desist from engaging in violations of Sections 101, 201 and 301 of the Act and from doing any act in furtherance thereof.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 11th day of February, 2004.

(SEAL)

  
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IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 11<sup>th</sup> day of February, 2004, a true and correct copy of the above and foregoing Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

FIK Investment & Holdings, Inc.  
2590 N. Loop W., Suite 500  
Houston, TX 77092

Edgar M. Bias  
2590 N. Loop W., Suite 500  
Houston, TX 77092

Thomas E. Dunn  
2590 N. Loop W., Suite 500  
Houston, TX 77092

  
\_\_\_\_\_  
Brenda London Smith  
Paralegal