

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



In the Matter of:

Geary Securities, Inc. *aka* Capital West Securities, Inc.;
Keith D. Geary; Norman Frager; and CEMP, LLC,

Respondents.

ODS File No. 09-141

**MOTION FOR RECONSIDERATION OF ADMINISTRATOR'S REFUSAL TO
PROCEED WITH SUBPOENA ENFORCEMENT
PURSUANT TO ORDER DATED MARCH 21, 2011**

Respondents, Geary Securities, Inc., Keith D. Geary, and CEMP, LLC (the "Geary Respondents"), respectfully request that the Administrator of the Department of Securities reconsider his refusal to proceed with enforcement of the subpoenas (one for documents, one for deposition) previously issued by the Hearing Officer and served on Timothy Headington (the "Headington Subpoena"). In support of this Motion, the Geary Respondents show the following:

1. By Order dated March 21, 2011, the Hearing Officer denied a motion to quash and motion for protective order filed by several non-parties – including Headington - who had previously been served with subpoenas in this action (the "Subpoenas"). Paragraph 13 of such Order expressly directed the Geary Respondents to apply to the Administrator under Rule 660:2-9-4(e)(1) for judicial enforcement of the subpoenas if the subpoena recipients failed to comply by March 25, 2011.

2. The Geary Respondents immediately complied with the Hearing Officer's directive by submitting their application for judicial enforcement to the Administrator on March 25, 2011. See, Notice of Application for Judicial Enforcement of Subpoenas (filed March 25, 2011).
3. The Administrator conducted a hearing on the Geary Respondents' Application on April 5, 2011 and granted the Application. In the course of such hearing, the Administrator stated: "*My intent is to expedite the process, get the information you need, get the information everybody needs, in a true spirit of legal discovery, and that's why I'm into this thing right now;*"
4. The Administrator filed an action in the District Court of Oklahoma County, State of Oklahoma on April 6, 2011, seeking judicial enforcement of the Subpoenas issued by the Hearing Officer and served on Bank of Union, John Shelley, Michael Braun and Headington (the "District Court Case").
5. On May 5, 2011, a Hearing was conducted in the District Court Case on the Administrator's request for judicial enforcement of the Subpoenas, including the Headington Subpoena. The Administrator appeared in person, with counsel, at such Hearing. The District Court enforced the Subpoenas served on Bank of Union, John Shelley and Michael Braun, but found it lacked jurisdiction to enforce the Subpoena served on Headington -- a

Texas resident -- and observed that such enforcement could be pursued in the State of Texas. At the conclusion of the Hearing, counsel for the Administrator indicated to counsel for the Geary Respondents that the Administrator would consider and decide whether to appeal the District Court's decision concerning the Headington Subpoena, or proceed to obtain judicial enforcement of the Headington Subpoena in Texas.

6. In late May 2011, counsel for the Administrator notified counsel for the Geary Respondents that the Administrator had decided to take no further action to enforce the Headington Subpoena. On May 31, 2011, the Geary Respondents notified counsel for the Department of their objection to the Administrator's decision. See, letter dated May 31, 2011 (Exhibit 1 hereto). Thereafter, counsel for the parties have had some discussions concerning the Headington Subpoena enforcement issue; however, such discussions have not resolved the issue. As a result, the Geary Respondents are submitting this Motion for reconsideration and decision.

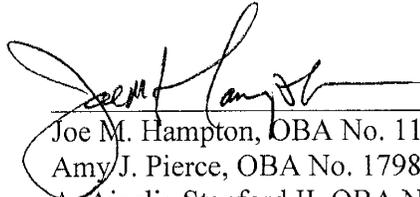
7. The Administrator's decision to abandon efforts to judicially enforce the Headington Subpoena is wholly inconsistent with the applicable Rules and the Administrator's April 5, 2011 decision and accompanying statements. The Administrator's abrupt and inconsistent change of direction and decision clearly, directly and

materially interferes with and deprives the Geary Respondents of their rights to discovery, due process and fundamental fairness, as granted and guaranteed by the ODS rules and applicable statutory and case law.

8. Absent reconsideration and resumption of the Administrator's action to judicially enforce the Headington Subpoena, the Geary Respondents will suffer material prejudice. Headington – as the purchaser of one of the two securities that are the subject of this enforcement action - is clearly a material witness. The Rules entitle the Respondents to obtain his deposition. The Geary Respondents have complied fully with the Rules' procedures for obtaining discovery from Headington. However, the Rules do not grant standing to the Geary Respondents to seek judicial enforcement – in Oklahoma or Texas – of the Headington Subpoena. As a result, the Geary Respondents are now deprived of their opportunity to obtain discovery from a material witness in an action in which the Department seeks to put these Respondents out of business. The Administrator's decision has the direct effect of depriving the Geary Respondents of their rights to discovery, due process and fundamental fairness under the Rules and applicable statutory and case law.

WHEREFORE, the Geary Respondents respectfully request that the Administrator reconsider and immediately resume and pursue all available action to obtain judicial enforcement of the Headington Subpoena in this action.

Respectfully submitted,



Joe M. Hampton, OBA No. 11851

Amy J. Pierce, OBA No. 17980

A. Ainslie Stanford II, OBA No. 18843

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**ATTORNEYS FOR RESPONDENTS
GEARY SECURITIES, INC., KEITH D.
GEARY, AND CEMP, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on July 13th, 2011, a copy of the foregoing document was served on the following by electronic mail:

Hearing Officer Bruce Kohl, Esq.
201 Camino del Norte
Santa Fe, NM 87501

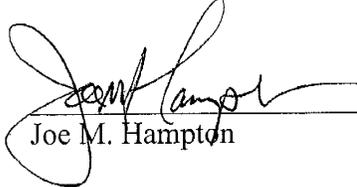
Brenda London, Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102; and

Melanie Hall, Director of Enforcement
Terra Shamas Bonnell, Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102;

Shaun Mullins, Esq.
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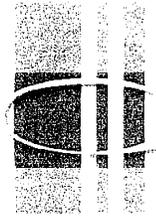
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Joe M. Hampton

EXHIBIT 1



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**CORBYN
HAMPTON**

May 31, 2011

VIA E-MAIL AND FIRST CLASS MAIL

STATE OF OKLAHOMA

DEPARTMENT OF SECURITIES

Attention: Terra Shamas Bonnell, Enforcement Attorney

120 North Robinson, Suite 860

Oklahoma City, OK 73102

Re: *ODS v. Geary Securities, Inc., et al*; ODS File No. 090141

Dear Terra:

This letter is to candidly advise you – in advance of formal filings - of serious concerns my clients (the “Geary Respondents”) have in connection with the Administrator’s recent decision to abruptly discontinue the Department’s efforts to enforce the subpoenas previously issued by the Hearing Officer and served on Mr. Headington (the “Headington Subpoenas”).

As you will recall and we are all painfully aware, the Geary Respondents’ efforts to exercise and pursue the discovery rights granted to them by the ODS Rules have met with significant resistance and interference, partially in the form of the actions and inactions of Mr. Headington, his counsel and his affiliates and representatives (including Bank of Union, John Shelley and Mike Braun). The pertinent events include, but are not limited to, the following:

- On September 22, 2010, the Department initiated this enforcement action, identifying Mr. Headington as one of two investors and customers that were allegedly victimized and damaged by the Geary Respondents;
- On December 22, 2010, the Department filed its Preliminary Witness List and identified Mr. Headington as a witness on the Department’s behalf;
- On February 8, 2011, the Geary Respondents, in accordance with ODS Rules, requested that the Hearing Officer issue subpoenas for documents and depositions to, among others, Mr. Headington;
- On February 11, 2011, with no objection from the Department, the Hearing Officer issued the requested subpoenas, including the Headington Subpoenas;
- On March 24, 2011, the Hearing Officer issued an Order denying the Motion to Quash and Protective Order filed on behalf of Mr. Headington and others in a misguided effort to avoid the subpoenas – including the Headington Subpoenas - issued by the Hearing Officer at the request of the Geary Respondents;
- On March 25, 2011, The Geary Respondents submitted their request and application to the Administrator, pursuant to Rule 660:2-9-4(e)(1), to “take

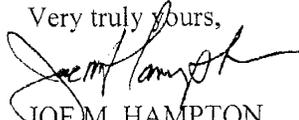
immediate action to obtain judicial enforcement of the Subpoenas previously issued by the Hearing Officer and served on ... Timothy Headington;”

- On April 5, 2011, the Administrator conducted a hearing and granted the Geary Respondents’ Application, stating *“my intent is to expedite the process, get the information you need, get the information everybody needs, in a true spirit of legal discovery, and that’s why I’m into this thing right now;”*
- On April 6, 2011, The Administrator initiated a proceeding in the District Court of Oklahoma County to obtain judicial enforcement of, among other things, the Headington Subpoenas;
- On May 5, 2011, a hearing was conducted in the District Court of Oklahoma County on the Administrator’s request for judicial enforcement and, with respect to the Headington Subpoenas, the Court found that it lacked the authority to compel Mr. Headington’s compliance in Oklahoma, but stated that the Administrator should proceed to enforce the Headington Subpoenas in Dallas County under the procedure available to the Administrator;
- Immediately following the May 5th District Court hearing and decision, we were advised by counsel for the Administrator that the Administrator was considering whether to appeal the District Court’s decision concerning the Headington Subpoenas or proceed to enforce the Headington Subpoenas in Dallas County;
- From and after the May 5th District Court, we were led to believe that the Administrator fully intended to abide by his April 5th decision and statements (some of which are quoted above) and complete the process of obtaining enforcement of the Headington Subpoena;
- We have now been notified by counsel for the Administrator that he (counsel) has been directed by the Administrator to take no further action to enforce the Headington Subpoenas.

At this point we can only imagine the forces and influences that led to the Administrator’s abrupt change of direction and decision, which directly and completely contradicts and undermines his prior decisions, statements and actions. If necessary, those issues can certainly be explored, discovered and revealed in this and/or other proceedings.

The Administrator’s abrupt and inconsistent change of direction and decision clearly, directly and materially interfere with and deprive the Geary Respondents of their rights to discovery, due process and fundamental fairness under the ODS rules and applicable statutory and caselaw. Absent an acceptable resolution, the Geary Respondents will proceed by filing a series of pleadings and related materials that will display in detail the foregoing events and resulting manifest injustice. In the event the Department wishes to avoid that process, I will make myself available to meet, hear and discuss how this entire dispute can be resolved by mutual agreement in the very near future. If the Department has no interest in an immediate and meaningful dialogue or I do not hear from you on this point by June 3, 2011, we will proceed as stated above.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joe M. Hampton". The signature is fluid and cursive, with a large initial "J" and "H".

JOE M. HAMPTON

For the Firm

cc: Donald A. Pape, Esq. (via e-mail)
Shaun Mullins, Esq. (via e-mail)