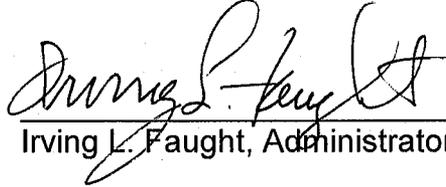


6. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 8th day of September, 2005.

(SEAL)



Irving L. Faught, Administrator

Subscribed and sworn to before me this 8th day of September, 2005.

(NOTARY SEAL)



Notary Public

My Commission Expires: Sept 18, 2008
My Commission Number: 14515

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Greg Cannon,

Respondent.

ODS File No. 06-024

ORDER TO CEASE AND DESIST
AND
NOTICE OF OPPORTUNITY FOR HEARING

Order

For purposes of this Order, the Administrator of the Oklahoma Department of Securities (Administrator) hereby adopts the Findings of Fact and Conclusions of law set forth in the Enforcement Division Recommendation (Recommendation) attached hereto.

Specifically, the Administrator finds that Greg Cannon (Respondent) has transacted business as an unregistered agent and has offered an unregistered security in this state. Based on his authority under Section 1-604 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), IT IS HEREBY ORDERED that Respondent cease and desist the offer of an unregistered security and the transaction of business as an unregistered agent in violation of the Act. Respondent is hereby advised that the Administrator will seek a civil penalty of Five Hundred Dollars (\$500.00) in this matter.

Notice of Opportunity for Hearing

Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondent of his right to request a hearing. The request for hearing must be received by the Administrator within thirty (30) days after service of this Order. The request for hearing must be in writing and Respondent shall specifically admit or deny each allegation against Respondent that is contained in the Recommendation.

Within fifteen (15) days after receipt of a request for hearing from Respondent, this matter will be scheduled for hearing. The hearing shall be commenced within fifteen (15) days of the matter being set for hearing. Notice of the date, time and location of the hearing shall be given to Respondent. If a hearing is requested, the

Administrator, after notice and opportunity for hearing to Respondent, may modify or vacate the order or extend it until final determination.

If Respondent does not request a hearing and none is ordered by the Administrator within thirty days (30) days after the date of service of this Order, the Order becomes final as to Respondent by operation of law.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 8th day of September, 2005.

(SEAL)

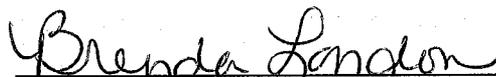


IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

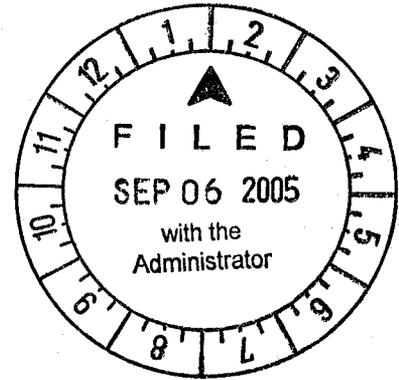
The undersigned hereby certifies that on the 8th day of September, 2005, a true and correct copy of the above and foregoing Order to Cease and Desist and Notice of Opportunity for Hearing was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Greg Cannon
18200 S. E. 149th
Newalla, OK 74857



Brenda London
Paralegal

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Greg Cannon,

Respondent.

ODS File No. 06-024

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), an investigation was conducted by the Enforcement Division of the Oklahoma Department of Securities (Department) into the activities of Greg Cannon (Respondent) in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of an order to cease and desist and imposition of a civil penalty.

Findings of Fact

1. Respondent placed an ad in Volume 76, No. 22, of *The Oklahoma Bar Journal*, dated August 13, 2005. The ad was placed for the purpose of seeking investments for the publication of a book entitled, "The Magic Kingdom, Symbols of Love; The Holy Grail; and, The Code of Conduct."
2. Respondent represented that an investment of \$15,000 would provide a return of \$65,000. Respondent further represented that he would pay a finder's fee of \$5,000, upon successful publication of the book, to the first person providing an investor.
3. Respondent is not registered as an issuer agent under the Act.
4. The investment offered by Respondent is not registered under the Act.

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

Authorities

1. Section 1-102 provides in part:

In this act, unless the context otherwise requires:

* * *

2. "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. A partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act;

* * *

32. "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security," or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

* * *

- d. includes as an "investment contract" an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are

interwoven with those of either the person offering the investment, a third party, or other investors.

2. Section 1-301 of the Act provides:

It is unlawful for a person to offer or sell a security in this state unless:

- (1) The security is a federal covered security;
- (2) The security, transaction, or offer is exempted from registration under Sections 6 through 8 of this act [Sections 1-201 through 1-203 of this title]; or
- (3) The security is registered under the act.

3. Section 1-402 of the Act provides:

It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection B of this section.

4. Section 1-604 of the Act provides in part:

A. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice, the Administrator may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act[.]

* * *

B. An order under subsection A of this section is effective on the date of issuance. Upon issuance of the order, the Administrator shall promptly serve each person subject to

the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the Administrator will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen (15) days after receipt of a request in a record from the person, the matter will be scheduled for a hearing and the hearing shall be commenced within fifteen (15) days of the matter being set for hearing. If a person subject to the order does not request a hearing and none is ordered by the Administrator, within thirty (30) days after the date of service of the order, the order, that may include a civil penalty or costs of the investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the Administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

* * *

- D. In a final order under subsection C of this section, the Administrator may impose a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or up to Two Hundred Fifty Thousand Dollars (\$250,000.00) for multiple violations in a single proceeding or a series of related proceedings.

Conclusions of Law

1. The investment offered by Respondent is a security as defined by 1-102.32 of the Act.
2. Respondent offered an unregistered security in the state of Oklahoma, in violation of Section 1-301 of the Act.
3. Respondent transacted business as an issuer agent in this state without the benefit of registration under the Act, in violation of Section 1-402 of the Act.
4. The Administrator has the authority to order Respondent to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Act.
5. The Administrator has the authority to impose a civil penalty for violation of the Act.

6. It is in the public interest to order Respondent to cease and desist from violating the Act and to impose a civil penalty.

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

WHEREFORE, it is recommended that the Administrator issue an order against Respondent to cease and desist from transacting business as an unregistered agent and offering an unregistered security in this state in violation of the Act and to pay a civil penalty of Five Hundred Dollars (\$500.00).

Dated this 6th day of September, 2005.

Respectfully Submitted,



Rebecca Cryer
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700