

IN THE DISTRICT COURT OF TULSA COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Robert S. Miles, COEREC, Inc., an)
Oklahoma corporation, and)
Daystar Investments International, Inc.,)
f/k/a Daystar Investments, Inc., an)
Oklahoma corporation,)
)
Defendants.)

DISTRICT COURT
FILED

APR 16 2002

SALLY HOWE SMITH, COURT CLERK
STATE OF OKLA. TULSA COUNTY

Case No. CJ-2002-00035

DEBORAH C. SHALLCROSS

**PLAINTIFF'S RESPONSE TO DEFENDANT ROBERT S. MILES'
REQUEST FOR CLARIFICATION**

Plaintiff, Oklahoma Department of Securities ex rel. Irving L. Faught, Administrator, submits the following in response to Defendant Robert S. Miles' (Miles) Request for Clarification and requests that this Court deny Miles' request. Plaintiff further requests that this Court order Miles to file an answer.

1. On January 3, 2002, Plaintiff filed a Petition for Permanent Injunction and other Equitable Relief ("Petition") against Defendants. On January 7, 2002, each Defendant was personally served with the Petition and a summons.

2. In its Petition, Plaintiff alleged specific violations by Miles of the registration and anti-fraud provisions of the Oklahoma Securities Act (the "Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 and Supp. 2000), and 660:10-5-42 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

3. On January 28, 2002, Miles filed a Special Appearance and Request for Clarification (Request). Attached to the Request is a certificate of mailing stating that the Request had been mailed to the Department. The Request was not received by the Department. Only after checking the Oklahoma State Courts Network did the Department learn of the filing of the Request and a Department employee traveled to Tulsa to obtain a copy.

4. In the Request, Miles asks the Court to instruct the Department to file a petition that more particularly describes the "nature of the action", the "character of the court (jurisdiction)" and the standing of the Department to bring this action.

5. Miles' Request is frivolous. It is also vague and fails to either assert a defense or request an extension of time to file a responsive pleading. The Request closely resembles a "Motion to Make More Definite and Certain" that is explicitly forbidden by District Court Rule 4(l).

6. As to the nature of the action, the first page of the Petition specifically alleges that Defendants have violated the registration and anti-fraud provisions of the Act and the Rules. The remaining sixteen pages of the Petition set forth, with more than sufficient particularity, the factual circumstances constituting Defendants' violations of the Act and the legal authority supporting the causes of action.

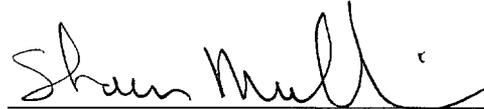
7. As to jurisdiction, it is unclear whether Miles is referring to subject matter or personal jurisdiction. However, neither is at issue here. This Court is one of general subject matter jurisdiction. As to personal jurisdiction, Miles is a resident of the State of Oklahoma and of Tulsa County and was personally served with summons and the Petition at his principal place of business in Tulsa.

8. Section 406.1 of the Act provides the Administrator with standing to bring an action in district court to enforce the provisions of the Act. Standing is asserted on the second page of the Petition. The Petition specifically cites Sections 2, 406.1 and 413 of

the Act and explains the applicability of the Act to Defendants by virtue of their activities in connection with the offer and sale of securities in and/or from this state.

For the above reasons, Plaintiff respectfully requests that this Court deny the Request and order Miles to file an answer immediately.

Respectfully submitted,

A handwritten signature in cursive script, reading "Shaun Mullins", written in black ink. The signature is positioned above a horizontal line.

Shaun M. Mullins (OBA #16869)
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