

Filed in the DISTRICT COURT
Kay County, Oklahoma

SEP 15 2004

GLEND A EMERSON Court Clerk
BY MARY RAMEY DEPUTY

IN THE DISTRICT COURT OF KAY COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Southern Cross Ltd., and)
Charles Scherer,)
)
Defendants.)

Case No. ~~CJ~~-2004-69

**PERMANENT INJUNCTION AND ORDER OF RESTITUTION AGAINST
DEFENDANTS SOUTHERN CROSS LTD.
AND CHARLES SCHERER**

This matter comes on for hearing before the Court on this _____ day of _____, 2004, upon the motion of plaintiff, Oklahoma Department of Securities *ex rel.* Irving L. Faught, Administrator ("Plaintiff"), for default judgment against Southern Cross Ltd. and Charles Scherer ("Defendants"). The Court, finding that it has jurisdiction of the parties and the subject matter of this action and the issues having been heard, finds that Plaintiff's motion for default judgment should be, and hereby is, granted.

The Court finds that Defendants were validly served with summons and petition in this cause, that the date by which Defendants were required to appear and defend this action has passed and no appearance has been made by Defendants, and that no motion or responsive pleading has been filed on their behalf.

Defendants have thus admitted the substantial allegations in the Petition. The Court, having reviewed the evidence presented, and being fully advised in the premises, and on consideration thereof, finds that the allegations in Plaintiff's Petition are deemed true as set forth therein, and that the basis for an injunction has been established by Plaintiff.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that judgment be, and hereby is, entered against Defendants.

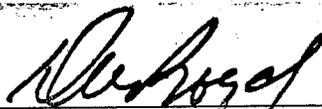
IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that Defendants be, and hereby are, permanently enjoined and restrained from offering and/or selling any security in and/or from the state of Oklahoma.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that Defendants pay restitution to Gail Peavey, the surviving spouse of Roger Peavey, in the amount of One Hundred Eighty Thousand Dollars (\$180,000.00) and Robert Traynor in the amount of Fifty Thousand Dollars (\$50,000.00).

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that Defendants pay a civil penalty in the amount of Fifty Thousand Dollars (\$50,000.00) to the Oklahoma Department of Securities.

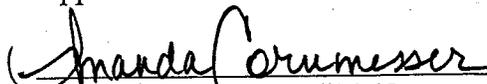
IT IS SO ORDERED.

Dated this 15 day of Sept, 2004.



DISTRICT COURT JUDGE

Approved as to form and substance:



Rebecca Cryer, OBA #2065
Amanda Cornmesser, OBA #20044
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700
Attorneys for Plaintiff

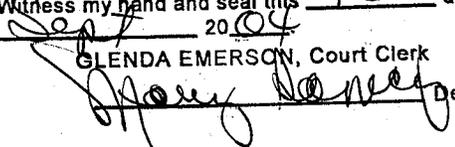
State of Oklahoma, County of Kay, ss

I hereby certify that the within and foregoing is a true and correct copy of the original instrument as the same appears on file and of record in my office in the District Court of Kay County, Oklahoma.

Witness my hand and seal this 15 day of

Sept 2004

GLEND A EMERSON, Court Clerk



Deputy