

IN THE DISTRICT COURT OF OKLAHOMA COUNTY

STATE OF OKLAHOMA

Oklahoma Department of Securities	)
<i>ex rel.</i> Irving L. Faught,	)
Administrator,	)
	)
Plaintiff,	)
	)
v.	)
	)
	)
Randall D. Jeffers and	)
Renaissance U.S.A., Inc.	)
	)
Defendants.	)
	)

Case No. CJ 98-373-62  
 FILED IN THE DISTRICT COURT  
 OKLAHOMA COUNTY, OKLA.  
 JUL 14 1999  
 PATRICIA PHESLEY, COURT CLERK  
 BY                     

PRE-TRIAL CONFERENCE ORDER

1. Appearances:

Mark Edmondson for the Plaintiff, Oklahoma Department of Securities *ex rel.* Irving L. Faught, Administrator.

No appearance for the Defendant Randall D. Jeffers ("Jeffers"). Jeffers was represented by Henry A. Meyer III until Mr. Meyer withdrew from the representation over the objection of the Plaintiff. Since that time, Plaintiff has been unable to contact Jeffers. In addition, Jeffers has not entered an appearance in this case nor has he contacted Plaintiff. All information described herein is that known to the Plaintiff and does not include any information of Jeffers.

2. General Statement of Facts:

a. What: Jeffers offered and sold Independent Representative Agreements ("Agreements") in a network marketing program to Oklahoma residents. The network marketing program was known as Renaissance U.S.A., Inc. ("Renaissance"). Purchasers of the Agreements ("Renaissance Purchasers") were promised the opportunity to earn monthly residual commissions through the sale of Renaissance products and services. The Renaissance products and services to be provided to the Renaissance Purchasers for sale in their business were pre-paid phone cards, nutrition and weight loss products and personal care products. Jeffers agreed to provide Marketing Support Materials, including brochures and catalogs and offered training regarding the promotion, operation and management of the business opportunity. With the Agreements, and the products and

services provided with it, Jeffers promised the public they could start a profitable business.

The Agreements offered by Jeffers were not registered with the Department. Jeffers did not deliver to Renaissance Purchasers a disclosure document relating to the Agreements.

- b. Where: Oklahoma County, Oklahoma.
- c. When: December, 1997 and January, 1998.
- d. Who: Defendant Randall D. Jeffers and Renaissance U.S.A., Inc.

3. Plaintiff's Contentions:

<u>Grounds for Recovery</u>	<u>Applicable Statute</u>
a. Jeffers offered business opportunities to Oklahoma residents and the business were not registered under the provisions of the Act.	Section 806
b. Jeffers failed to deliver a disclosure document as required by the Act in connection with the offer of these business opportunities.	Section 808
c. Jeffers omitted material facts in an effort to induce prospective purchasers to buy the business opportunity. These material omissions include that civil and administrative actions had been filed and orders taken against Jeffers by numerous states in connection with a similar business venture, including injunctions and substantial fines that have not been paid; that Jeffers had sold other business opportunities that included pre-paid phone cards that did not work; and that Jeffers billed the credit cards of purchasers of another business opportunity multiple times without authorization.	Section 819(b)
d. The omission of these material facts constituted a practice and course of business which by Jeffers that operated as a fraud and deceit upon prospective purchasers of the business opportunity.	Section 819(c)

Relief Sought

a. A permanent injunction forever enjoining and restraining Jeffers, his agents, servants, employees, successors and assigns, as applicable, and each of them, from engaging in the offer and/or sale of business opportunities in the state of Oklahoma. Alternatively, a permanent injunction forever enjoining and restraining Jeffers, his agents, servants, employees, successors and assigns, as applicable, and each of them, from engaging in the offer and/or sale of business opportunities in the state of Oklahoma unless registered with the state of Oklahoma and revoke any exemption claim made by Jeffers pursuant to the Act.

b. A permanent injunction forever enjoining and restraining Jeffers, his agents, servants, employees, successors and assigns, as applicable, and each of them, from engaging in the offer and/or sale of business opportunities in the state of Oklahoma unless and until a written disclosure document prepared pursuant to Section 808 of the Act is delivered to each purchaser as required by the Act.

c. A permanent injunction forever enjoining and restraining Jeffers, his agents, servants, employees, successors and assigns, as applicable, and each of them, from, directly or indirectly, from omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, and/or from engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

4. Defenses: None asserted.

5. Cross Petition (or Counterclaim or Set-Off): None Asserted.

6. Reply: None filed.

7. Miscellaneous:

a. Jury waived: Yes

b. Objection to jurisdiction of court: No

c. Are parties proper and correctly named or identified: Yes

d. Need for guardian ad litem: No

e. Are all city ordinances, relied on by all parties, pled in full: N/A

f. Are allegations of agency denied under oath: N/A

g. Is discovery complete: Yes

h. Any amendments to pleadings: No

- i. Trial brief required by Court: No
- j. What legal issues to be resolved: None raised by Jeffers
- k. Any novel or unusual points of law involved: No
- l. What fact issues remain to be resolved: None raised by Jeffers
- m. Will a view of the scene be requested or advisable: No

8. Plaintiff's Exhibits:

(a) Envelope marked "Top Secret" and offering materials enclosed therein;

(b) Final Order to Cease and Desist and to Impose Civil Penalty against Destiny Telecom International, Inc. ("Destiny") and Randall D. Jeffers issued on January 16, 1998 by the Administrator of the Oklahoma Department of Securities;

(c) Assurance of Voluntary Compliance filed on April 3, 1996, in the Circuit Court of Oregon, Marion County;

(d) Complaint filed on June 18, 1996, in the Superior Court of Guam, Territory of Guam;  
(c) Notice of Intended Action and Opportunity to Cease and Desist issued on March 4, 1996, in the State of Michigan, Department of Attorney General against Destiny and Jeffers;

(e) Assurance of Discontinuance entered into on July 1, 1996, in the State of Michigan, Department of Attorney General by Destiny and Jeffers;

(f) Assurance of Voluntary Compliance issued in February, 1997, in the Office of the Attorney General, State of Alabama;

(g) Final Judgment and Permanent Injunction issued by the Superior Court of the State of California for the County of Alameda on March 18, 1997, against Destiny and Jeffers, imposing a civil penalty of \$1,600,000;

(h) Complaint For Injunctive and Other Relief filed against Destiny and Jeffers on November 4, 1997 by the Attorney General of the State of Illinois alleging violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 et seq.(West 1996);

(i) Verified Complaint issued against Destiny and Jeffers on December 4, 1997, by the Attorney General of the State of New York alleging that despite entering into an Assurance of Discontinuance with the State of New York, Destiny and Jeffers have failed to cease and desist illegal fraudulent and deceptive practices and have defaulted on their penalty payments to New York;

(j) Complaint filed on August 12, 1997, against Destiny and Jeffers by the Attorney General of the State of Arkansas alleging violations of the Arkansas Deceptive Trade Practices Act, as amended, Ark. Code Ann. §4-88-101 et seq;

(k) Videotape of Oklahoma City meeting of Renaissance.

9. Defendant's Exhibits: Unknown

10. Maps or Diagrams: None

11. Requested Instructions: To be submitted at trial

12. Plaintiff's Witnesses:

Patricia A. Labarthe  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102

Will testify about the Oklahoma City meetings of Renaissance and the presentations of Jeffers. Will identify documents distributed at the meetings. Will also testify about the involvement of Jeffers in Destiny and orders issued against that entity and Jeffers by Oklahoma and other states. Will testify as to the application of the Oklahoma Business Opportunity Sales Act and the registration status of Renaissance with the Oklahoma Department of Securities.

Sandra Brittain  
12901 Nicholson Road, Suite 200  
Farmers Branch, Texas 75234

Will testify about the operations of Renaissance and the role of Jeffers in the business. Will testify about the Oklahoma presentations of the Renaissance opportunity. Will testify about the business background of Jeffers including his operation of Destiny and his role in the operation and demise of Destiny and Renaissance. Will describe the Renaissance opportunity.

Ron Brittain  
12901 Nicholson Road, Suite 200  
Farmers Branch, Texas 75234

Will testify about the operations of Renaissance and the role of Jeffers in the business. Will testify about Renaissance's business in Oklahoma. Will testify about the business background of Jeffers including his operation of Destiny and his role in the operation and demise of Destiny and Renaissance.

Mark McKnight  
12901 Nicholson Road, Suite 370  
Farmers Branch, Texas 75234

Will testify about the operations of Renaissance and the role of Jeffers in the business. Will testify about the Oklahoma presentations of the Renaissance opportunity. Will testify about his relationship and contact with Jeffers in Destiny and Renaissance. Will describe the Renaissance opportunity.

William A. Selsor  
2617 Northwest 56th Street  
Oklahoma City, Oklahoma 73112

Will testify about the Oklahoma presentations of the Renaissance opportunity and his role in the business of Renaissance. Will describe the Renaissance opportunity.

Randall D. Jeffers  
14902 Preston Road, Number 374  
Dallas, Texas

Will testify about the Oklahoma presentations of the Renaissance opportunity and his role in the business of Renaissance. Will describe the Renaissance opportunity. Will testify about his business background including his operation of Destiny and his role in the operation and demise of Destiny and Renaissance. Will testify about any administrative, civil and criminal actions issued or filed against him and entities with whom he has been associated.

13. Defendant's Witnesses: Unknown

14. Estimated Trial Time: One day

15. Stipulations: None at this time as Plaintiff has been unable to contact Jeffers. No stipulations were discussed with previous counsel.

16. Settlement: Not likely at this time.

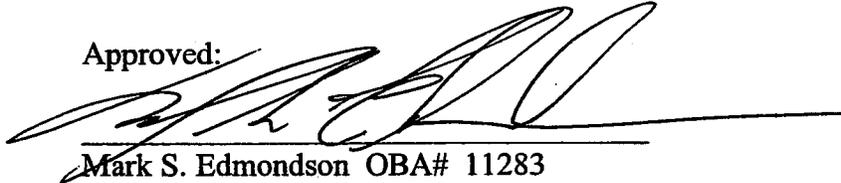
17. Other Matters: Contempt action filed by Plaintiff is also pending against Jeffers in this Court.

18: **TRIAL DATE SET:** On the 27 day of July, 1999 at 11:00  
A.m.

19. Dated this 14<sup>th</sup> day of July, 1999.

Roma D. Gurnah  
District Court Judge

Approved:



Mark S. Edmondson OBA# 11283  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7700

Attorney for Plaintiff