

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

Oklahoma Department of Securities, )  
*ex rel.* Melanie Hall, Administrator, )

Plaintiff, )

v. )

Cool Blue Capital LLC, an Oklahoma )  
limited liability company; )  
Cool Blue Capital Management LLC, )  
an Oklahoma limited liability company; )  
Charles Brent Orr, individually; and )  
Ryan W. Shay, individually, )

Defendants. )

**CJ-2025-2051**

Case No. CJ-2025-\_\_\_\_\_

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

**MAR 26 2025**

**RICK WARREN  
COURT CLERK**

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**PETITION FOR PERMANENT INJUNCTION  
AND OTHER RELIEF**

Plaintiff, Oklahoma Department of Securities, *ex rel.* Melanie Hall, Administrator (hereinafter "Plaintiff" or "Department"), for its causes of action against Defendants, Cool Blue Capital LLC ("CBC"), Cool Blue Capital Management LLC ("CBCM"), Charles Brent Orr ("Orr"), and Ryan W. Shay ("Shay"), (collectively, the "Defendants") alleges and avers as follows:

**OVERVIEW**

1. This case involves violations of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701, by Defendants. Specifically, the Department's allegations include offering and selling unregistered securities in violation of § 1-301 of the Act; acting as an unregistered broker-dealer in violation of § 1-401 of the Act; acting as an unregistered agent in violation of §1-402 of the Act; acting as an unregistered investment adviser in violation of §1-403 of the Act; acting as an

unregistered investment adviser representative in violation of §1-404 of the Act; and  
perpetrating a fraud in connection with the offer and sale of securities in violation of § 1-  
501 of the Act

### **JURISDICTION**

2. The Administrator of the Department brings this action pursuant to § 1-603  
of the Act and is the proper party to bring this action against the Defendants.

3. Pursuant to §§ 1-102 and 1-610 of the Act, Defendants, in connection with  
their activities in the offer and/or sale of securities in and/or from this state, are subject to  
the provisions of the Act. By virtue of their activities in and/or from this state, as described  
herein, Defendants are subject to the jurisdiction of this Court and to service of summons  
within and outside of this state.

4. Pursuant to § 1-603(A) of the Act, venue is proper in this county.

### **DEFENDANTS**

5. Defendant CBC is an Oklahoma limited liability company with its principal  
place of business in Jenks, Oklahoma.

6. Defendant CBCM is an Oklahoma limited liability company with its principal  
place of business in Jenks, Oklahoma.

7. Defendant Orr is an individual who is a resident of Tulsa, Oklahoma.

8. Defendant Shay is an individual who is a resident of St. Francis, Kansas.

9. Defendants Orr and Shay were, and are, the founders and managing  
members of CBC and CBCM.

10. Defendants are not presently registered, and they have never been  
registered, in any capacity under the Act.

## NATURE OF THE CASE

### Orr and Shay – Individual Offering

11. During early 2019, Defendants Orr and Shay offered and sold securities totaling at least \$990,000 to multiple investors, including eight (8) Oklahoma investors. Defendants Orr and Shay directly purchased restricted shares of series C preferred stock of CytoDyn, Inc. ("CytoDyn"), a public company listed on the Over-The-Counter Quotation Bureau ("OTCQB") marketplace. The shares were purchased through a CytoDyn private offering for the accounts of the investors, and their own accounts ("Individual Round 1").

12. Of the funds Defendants Orr and Shay raised from investors to purchase the restricted CytoDyn stock as part of the Individual Round 1 investment, at least \$395,000 of the investors' funds were deposited into the personal bank account of Defendant Orr and his wife at Wray State Bank between February 20, 2019, and March 27, 2019.

13. On March 15, 2019, Defendant Orr paid \$495,000 out of his personal bank account at Wray State Bank to CytoDyn for the purchase of 495 shares of series C preferred stock, evidenced by stock certificate ZQ00000028, in the name of Defendant Orr and his wife, Lyndee Orr, as joint tenants. The \$495,000 purchase amount consisted of \$395,000 of the investors' funds and \$100,000 of Orr's personal funds.

14. Of the funds Defendants Orr and Shay raised from investors to purchase the restricted shares of CytoDyn stock as part of the Individual Round 1 investment, at least \$78,000 of the investors' funds were deposited into the accounts of Defendant Shay and his trust, Flying S Ranch Trust, at Farm Credit of Southern Colorado, PCA, and First National Bank of St. Francis, Kansas, between March 4, 2019 and March 19, 2019.

15. On May 15, 2019, Defendant Shay wired \$495,000 out of his trust's account at Farm Credit of Southern Colorado, PCA, to CytoDyn for the purchase of 495 shares of series C preferred stock, evidenced by stock certificate ZQ00000021, in the name of "Flying S Ranch Trust Dtd October 12, 2004 Ryan Shay TR." The \$495,000 purchase amount consisted of \$78,000 of the investors' funds and \$417,000 of funds from the Flying S Ranch Trust.

16. At no time in 2019 was either Defendant Orr or Defendant Shay registered in any capacity under the Act when each solicited investors and purchased restricted shares of CytoDyn, Inc. stock in March 2019 for the account of other investors described in ¶¶ 11 through 15 above and for their own accounts.

#### **CBC's Formation and Offerings**

17. In August 2019, Defendants Orr and Shay formed two limited liability companies, Defendants CBC and CBCM.

18. In August 2019, Defendants Orr and Shay began soliciting investors for the stated purpose of investing in limited liability company membership interests of Defendant CBC. CBC would then invest the pooled investor funds, along with personal funds from Defendants Orr and Shay, in third-party company stock initially purchased in Defendant CBC's name.

19. Between August 2019 and October 2021, Defendants Orr and Shay offered and sold securities in the form of limited liability company membership interests in Defendant CBC in and/or from Oklahoma totaling \$18,383,702.60. The membership interests were sold to 200 investors in at least 22 states and one (1) foreign country, with at least 26 Oklahoma investors.

20. As described above, Defendants Orr and Shay offered and/or sold securities to investors for \$18.3 million in the form of membership interests in CBC. The funds were then used in connection with fifteen (15) different "Investment Opportunities" through which Defendant CBC acquired stock of ten (10) different companies in private placement offerings CBC negotiated with each such company. The names and dates of each "Investment Opportunity," and membership interest offerings affiliated with each Investment Opportunity, through Defendant CBC are as follows:

- CytoDyn, Inc. - August 29, 2019
- CytoDyn, Inc. - November 8, 2019
- CytoDyn, Inc. - January 28, 2020
- CytoDyn, Inc. - March 13, 2020
- Facebank Group, Inc. d/b/a fuboTV - August 14, 2020
- Amgine Technologies (U.S.), Inc. (HelloGbye) - September 28, 2020  
[CBC offered this Investment Opportunity to investors; received some investor funds; but did not close this Amgine/HelloGbye offering]
- Ammo Inc. - October 23, 2020
- Centerline Biomedical, Inc. - 2020 [CBC offered this Investment Opportunity to investors; received some investor funds; but did not close this Centerline Biomedical, Inc. offering]
- Safe Haven Defense, LLC – January 11, 2021
- Serastar Technologies Corporation - March 5, 2021
- TechSlayers - March 8, 2021

- Amgine Technologies (U.S.), Inc. (HelloGbye) - March 25, 2021
- Forced Physics Data Center Technology LLC - April 5, 2021
- Lipella Inc. - May 31, 2021
- CytoDyn, Inc. - October 25, 2021

21. The "Term Sheet" Defendant CBC sent out to potential investors for each "Investment Opportunity" and new series of CBC membership interests stated in key term 8, "Manager/Investment Advisor/Carried Interest", in pertinent part:

***Cool Blue Capital Management, LLC ("CBCM")***, an affiliate of Cool Blue and an ***investment advisor***, will serve as the Manager of Cool Blue and ***shall provide investment advisory services*** to Cool Blue in exchange for a carried interest in each Investment Opportunity. *(Emphasis added.)*

22. The carried interests received by Defendant CBCM was in-kind remuneration typically based on the price of the Investment Opportunity stock reaching a certain stated price, or benchmark. Generally, there were three levels of carried interest with corresponding benchmarks that provided CBCM a carried interest of 10%, 15%, or 20% of the stock purchased and held by Defendant CBC. A benchmark was considered reached if the Investment Opportunity stock reached a certain stated price even if it only stayed at such price momentarily, regardless of whether restrictions<sup>1</sup> had been lifted from the stock purchased through the private placement offering, and irrespective of whether

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<sup>1</sup> Restricted securities are securities acquired in unregistered, private sales from the issuing company or from an affiliate of the issuer. Investors typically receive restricted securities through private placement offerings, Regulation D offerings, employee stock benefit plans, as compensation for professional services, or in exchange for providing "seed money" or start-up capital to a company. SEC Rule 144(a)(3) identifies what sales produce restricted securities. Before you may sell any restricted securities in the marketplace, you must hold them for a certain period of time. If the company that issued the securities is a "reporting company" in that it is subject to the reporting requirements of the Securities Exchange Act of 1934, then you must hold the securities for at least six months. If the issuer of the securities is not subject to the reporting requirements, then you must hold the securities for at least one year. The relevant holding period begins when the securities were bought and fully paid for. The holding period only applies to restricted securities.

Defendant CBC's investors ultimately made or lost money relative to such Investment Opportunity, or CBC membership interest series.

23. When the restriction was lifted from the CytoDyn and fubo TV stock, for example, that Defendant CBC had purchased in its name for its members/investors, Defendant CBC caused shares of stock to be distributed in-kind to each of its members/investors, with Defendant CBCM's carried interest being distributed to it in-kind and taken *pro rata* from Defendant CBC's members' interests.

24. From at least September 2019 through 2020, in addition to Defendant CBCM's carried interest, both Defendants Orr and Shay had consulting agreements, finder's agreements, or both, with CytoDyn, Inc., whereby they each were able to earn money for raising capital, marketing, and locating and making introductions to potential investors for CytoDyn. As noted above, the first four (4) "Investment Opportunities" and the fifteenth "Investment Opportunity" offered through Defendant CBC were each related to private offerings of CytoDyn stock.

25. Defendants Orr and Shay did not disclose to some CBC investors that they had consulting or finder's agreements whereby Defendants Orr and Shay would, or at least could, personally benefit financially for marketing, raising capital on behalf of, and performing other services for CytoDyn.

26. From August 2019 through 2022: i) Defendants Orr and Shay were not registered under the Act to effect or attempt to effect purchases or sales of securities, represent CBC in effecting or attempting to effect the same, or make recommendations or give investment advice or hold themselves out as providing investment advice; ii) Defendant CBC was not registered under the Act to effect transactions in securities for

the account of others or for its own account; iii) Defendant CBCM was not registered under the Act to advise others as to the value of securities or the advisability of investing in, purchasing or selling securities; and, iv) the "Investment Opportunity" stock and the limited liability company membership interests in CBC offered and/or sold by Defendants Orr and Shay were not registered in accordance with Section 1-301 of the Act.

27. Defendant CBC, through its form Term Sheet and other offering documents provided to potential investors in and/or from Oklahoma between August 2019 through October 2021, represented to its members/investors that the membership interests were offered and sold in reliance on exemptions from the registration requirements of the Act relying on, *inter alia*, Regulation D promulgated by the United States Securities and Exchange Commission ("SEC"), 17 C.F.R. § 230.501, *et seq.*

28. Defendant CBC never filed with the Department the notice required by OKLA. ADMIN. CODE § 660:11-11-61 for issuers relying on Regulation D, and no Form D claiming an exemption in reliance on Regulation D was ever filed with the SEC.

**COUNT I – DEFENDANTS ORR AND SHAY**  
**Violation of Okla. Stat. tit. 71, § 1-401(A) – Offering and Selling Securities as**  
**Unregistered Broker-Dealers**

29. For its first cause of action against Defendants Orr and Shay, Plaintiff adopts and incorporates the allegations contained in ¶¶ 7-8, and 11-16 above, and further alleges as follows:

30. Section 1-401(A) of the Act makes it unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under the Act as a broker-dealer or is exempt from registration as a broker-dealer under the Act.



31. In March 2019, Defendants Orr and Shay engaged in the business of effecting transactions in securities in and/or from Oklahoma, specifically the purchase of CytoDyn, Inc. preferred stock through a private placement offering, both for the account of other investors and for their own accounts.

32. The CytoDyn stock is a security as defined in Section 1-102(32) of the Act.

33. Neither Defendant Orr nor Defendant Shay was registered as a broker-dealer under the Act in March 2019 when they each effected transactions in securities both for the account of other investors and for their own accounts as alleged in ¶¶ 31 above.

34. As a result, Defendants Orr and Shay violated Section 1-401(A) of the Act by transacting business in this state as unregistered broker-dealers.

35. Because of Defendant Orr's and Defendant Shay's violations of Section 1-401(A) of the Act, Plaintiff prays the Court order relief against Defendants Orr and Shay pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

**COUNT II – DEFENDANT COOL BLUE CAPITAL LLC**  
**Violation of Okla. Stat. tit. 71, § 1-401(A) – Offering and Selling Securities as an**  
**Unregistered Broker-Dealer**

36. Plaintiff adopts, incorporates, and reasserts the allegations in ¶¶ 5, 9, and 18 through 28 above, and for its second Count, further alleges as follows:

37. Section 1-401(A) of the Act makes it unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under the Act as a broker-dealer or is exempt from registration as a broker-dealer under the Act.

38. From August 2019 through at least October 2021, Defendant CBC engaged in the business of effecting transactions in securities in and/or from Oklahoma for the account of others or for its own account through at least fifteen (15) "Investment Opportunities" involving the offer and sale of different series of membership interests in CBC. CBC then purchased stock of at least ten (10) different companies through private placement offerings, including the following<sup>2</sup>: CytoDyn, Inc.; Facebank Group, Inc. d/b/a fuboTV; Amgine Technologies (U.S.), Inc.; Ammo Inc.; Centerline Biomedical, Inc.; Safe Haven Defense LLC; Serastar Technologies Corporation; Forced Physics Data Center Technology LLC; TechSlayers, LLC; and Lipella Inc.

39. The different series of membership interests in Defendant CBC offered and sold to investors are securities in the nature of an investment contract as defined in Section 1-102 (32) of the Act.

40. Defendant CBC was not registered with the Department as a broker-dealer at any time from August 2019 through October 2021.

41. As a result, Defendant CBC violated Section 1-401(A) of the Act by transacting business in this state as a broker-dealer.

42. Because of Defendant CBC's violations of Section 1-401(A) of the Act, Plaintiff prays the Court order relief against Defendant CBC pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

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<sup>2</sup> Note in ¶ 20 above that there were two of the fifteen investment opportunity offerings that were made to investors in CBC that did not ultimately close, specifically Amgine Technologies and Centerline Biomedical.

**COUNT III – DEFENDANT COOL BLUE CAPITAL LLC**  
**Violation of Okla. Stat. tit. 71, § 1-301 – Sale of Unregistered Securities**

43. Plaintiff adopts, incorporates, and reasserts the allegations in ¶¶ 5, 9, and 18 through 28 above, and for its third Count further alleges as follows:

44. Section 1-301 of the Act makes it unlawful for a person to offer or sell a security in this state unless the security is registered or exempt from registration.

45. Defendant CBC sold membership interests in itself to more than twenty-five (25) investors during twelve consecutive months in 2020 and did so again in 2021.

46. As noted in ¶ 39 above, a membership interest in a limited liability company managed by a third-party, here Defendant CBCM, is a security in the nature of an investment contract as defined in Section 1-102 (32) of the Act.

47. Remuneration was paid or given, directly or indirectly, by Defendant CBC to Defendant CBCM for soliciting and obtaining purchasers in this state, of membership interests in Defendant CBC, which then paid its sole members and managers, Defendants Orr and Shay.

48. The CBC membership interests, or units, were not registered under the Act.

49. As a result, Defendant CBC violated Section 1-301 of the Act by offering and selling unregistered securities.

50. Because of Defendant CBC's violations of Section 1-301 of the Act, Plaintiff prays the Court order relief against Defendant CBC pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

**COUNT IV – DEFENDANT CBC, ORR, and SHAY**  
**Violations of Okla. Stat. tit. 71, § 1-501 – Fraud in Connection with the Offer or**  
**Sale of a Security**

51. Plaintiff adopts, incorporates, and reasserts the allegations in ¶¶ 19 and 20 above, and for its fourth Count, further alleges as follows:

52. Section 1-501 of the Act makes it unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly: ... (2) [t]o make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading.

53. Defendants Orr and Shay each individually entered into a consulting agreement with non-party, CytoDyn, Inc., in September 2019, whereby they would receive compensation from CytoDyn, Inc., for obtaining investors in, raising capital and marketing for CytoDyn, Inc.

54. Defendants Orr and Shay, as the only two members of Defendant CBC, solicited investors in CBC for purposes of acquiring shares of stock in, and warrant agreements from, CytoDyn, Inc., through four different “rounds” of investment, between November 2019 and October 2021, *after* they had entered into the consulting agreements with CytoDyn, Inc., in September 2019.

55. Neither Orr nor Shay disclosed to all potential CBC investors in each of the four (4) rounds of investment in CytoDyn, their personal financial interests in marketing, raising capital for, and providing other services to CytoDyn, by virtue of their consulting agreements with that company.

56. As a result of this omission of material fact from the representations and information contained in the “Term Sheets” provided to potential investors and from

telephonic, in-person, and email communications with all potential CBC investors about each of the four "Investment Opportunities" involving CytoDyn, Defendants Orr and Shay violated Section 1-501(2) of the Act by omission of a material fact in connection with the offer, sale, or purchase of a security.

57. In addition, Defendant CBC has maintained a website from late 2019 through the present.

58. On its website, Defendant CBC stated through at least March 2024 that "our collective holdings have reached a market value in excess of two hundred million dollars."

59. Based on CBC's own documents, there were several times between late 2019 through March 2024, when CBC did not have collective holdings with a market value in excess of two hundred million dollars, yet CBC did not update or change the information on its website at any point during that time frame, making the representation on its website untrue and misleading to potential investors.

60. Similarly, between August 2019 and October 2021, Defendant CBC created and published a business profile on Alignable, an online referral and networking platform for small business owners.

61. Defendant CBC's profile on Alignable stated in pertinent part, "Cool Blue Capital will not make any money unless the investments that we partner in return at least 110% ROI. If that doesn't happen, we don't get paid."

62. Defendant CBC's compensation structure for its "manager and investment advisor", Defendant CBCM, was in fact based off of a benchmark, such as the stock of a company invested in reaching a set price or valuation, even if only momentarily, regardless of whether an investor actually made any positive ROI, or return on

investment. This is materially different from the misleading statement contained on Defendant CBC's Alignable business profile published to the general public on the Internet.

63. These material representations on both Defendant CBC's public website and its public Alignable business profile page were inaccurate and misleading and constitute violations of Section 1-501(2) of the Act by Defendant CBC.

64. Also, Defendant CBC distributed dozens of "Term Sheets" to potential CBC investors relative to each of the fifteen (15) "Investment Opportunities" it offered between August 2019 and October 2021.

65. Each "Term Sheet" of Defendant CBC contained the following statement in key term 8, "Manager/Investment Advisor/Carried Interest," in pertinent part:

Cool Blue Capital Management, LLC ("CBCM"), an affiliate of Cool Blue **and an investment advisor**, will serve as the Manager of Cool Blue and shall provide investment advisory services to Cool Blue in exchange for a carried interest in each Investment Opportunity. (*Emphasis added.*)

66. At no time between the formation of Defendant, Cool Blue Capital Management, LLC, on August 19, 2019, and the present date, has it ever been registered as an investment adviser under the Act.

67. As a result, Defendant CBC's repeated written representations that CBCM is an "investment "advisor" in its term sheets are misrepresentations of material fact in violation of Section 1-501(2) of the Act.

68. Because of CBC's, Orr's, and Shay's violations of Section 1-501(2) of the Act, Plaintiff prays the Court order relief against each of those Defendants pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

**COUNT V – DEFENDANT COOL BLUE CAPITAL MANAGEMENT LLC**  
**Violation of Okla. Stat. tit. 71, § 1-403(A) – Acting as an Unregistered Investment**  
**Adviser**

69. Plaintiff adopts, incorporates, and reasserts the allegations in ¶¶ 6, 9, 20 through 23, and 26 through 28 above, and for its fifth Count further alleges as follows:

70. Section 1-403(A) makes it unlawful for a person to transact business in this state as an investment adviser unless the person is registered under the Act or exempt from registration under the Act.

71. Defendant CBC has distributed dozens of “Term Sheets” to potential investors relative to each of the fifteen (15) “Investment Opportunities” it has offered between August 2019 and October 2021.

72. Each “Term Sheet” of Defendant CBC contained the following statement in key term 8, “Manager/Investment Advisor/Carried Interest,” in pertinent part:

***Cool Blue Capital Management, LLC (“CBCM”), an affiliate of Cool Blue and an investment advisor, will serve as the Manager of Cool Blue and shall provide investment advisory services to Cool Blue in exchange for a carried interest in each Investment Opportunity. (Emphasis added.)***

73. At no time between the formation of Defendant CBCM in August 2019 and the present date has CBCM ever been registered as an investment adviser under the Act.

74. Based on the written representations contained in each of Defendant CBC’s term sheets, Defendant CBCM has provided services as an investment adviser without being registered as such and, therefore, has violated Section 1-403(A) of the Act on multiple occasions relative to each of the fifteen (15) “Investment Opportunities” identified in ¶ 20 above.

75. Because of Defendant CBCM's violations of Section 1-403(A) of the Act, Plaintiff prays the Court order relief against each of those Defendants pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

**COUNT VI – DEFENDANTS ORR AND SHAY**  
**Violation of Okla. Stat. tit. 71, § 1-404(A) – Acting as an Unregistered Investment**  
**Adviser Representatives**

76. Plaintiff adopts, incorporates, and reasserts the allegations contained in ¶¶ 7, 8, and 18 through 28 above, and for its sixth Count further alleges as follows:

77. Section 1-404(A) of the Act makes it unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under the Act or exempt from registration under the Act.

78. Defendants Orr and Shay, while being members of and associated with Defendant CBCM, have engaged in making recommendations and giving investment advice regarding securities to potential investors on numerous occasions between March 2019 and October 2021, in and/or from Oklahoma.

79. Defendants Orr and Shay have acknowledged making recommendations and/or giving investment advice in writing in an undated letter they sent to S. Johnson, owner of non-party, Safe Haven Defense, LLC, at some point after CBC's investment in that company occurred in January 2021, in which they stated in pertinent part:

“We know all of our investors personally and they are hard-working individuals who value our opinion and advice on investment opportunities. Our investors have put their trust and money in the companies that we research ...”.

80. Defendants Orr and Shay, while members of and associated with CBCM, which was repeatedly identified as an investment adviser, have each made



recommendations to potential investors regarding investing in the securities of third-party companies through CBC, relative to each of the fifteen (15) "Investment Opportunities" offered between August 2019 and October 2021, identified in ¶¶ 20 above.

81. At no time between August 19, 2019, and the present were either Defendant Orr or Defendant Shay registered as an investment adviser representative under the Act.

82. As a result, Defendants Orr, and Shay, while associated with CBCM, an unregistered investment adviser, violated Section 1-404(A) of the Act by transacting business as unregistered investment adviser representatives.

83. Because of Defendants Orr's and Defendant Shay's violations of Section 1-404(A) of the Act, Plaintiff prays the Court order relief against each of those Defendants pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

**COUNT VII – DEFENDANTS ORR AND SHAY**  
**Violation of Okla. Stat. tit. 71, § 1-402(A) – Acting as Unregistered Agents**

84. Plaintiff adopts, incorporates, and reasserts the allegations contained in ¶¶ 7, 8, and 18 through 28 above, and for its seventh Count further alleges as follows:

85. Section 1-402(A) of the Act makes it unlawful for an individual to transact business in this state as an agent unless the individual is registered under the Act as an agent or is exempt from registration under the Act.

86. Defendants Orr and Shay represented Defendant CBC, which was transacting business as a broker-dealer as provided in Count II above (¶¶ 36-42), in effecting or attempting to effect purchases or sales of securities, or represented an issuer, Defendant CBC, in effecting or attempting to effect purchases or sales of the issuer's

securities to potential investors on numerous occasions between August 2019 and October 2021, in and/or from Oklahoma (see Count III (¶¶ 43-50) above).

87. At no time between August 19, 2019, and the present were either Defendant Orr or Defendant Shay registered as an agent under the Act.

88. As a result, Defendants Orr and Shay, while representing Defendant CBC, an unregistered broker-dealer, and/or an issuer, violated Section 1-402(A) of the Act by transacting business as unregistered agents.

89. Because of Defendant Orr's and Defendant Shay's violations of Section 1-402(A) of the Act, Plaintiff prays the Court order relief against each of those Defendants pursuant to Section 1-603(B) of the Act, as more specifically set forth in the prayer for relief at the conclusion of this Petition below.

**PRAYER FOR RELIEF**

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 1-603 of the Act, Plaintiff prays for the Court to grant the following relief:

I.

A permanent injunction enjoining each of the Defendants from transacting business in and/or from the state of Oklahoma as an issuer, issuer agent, broker-dealer, broker-dealer agent, investment adviser, and/or investment adviser representative and from otherwise offering and/or selling securities in and/or from the state of Oklahoma;

II.

A civil penalty in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) against each Defendant; and/or,

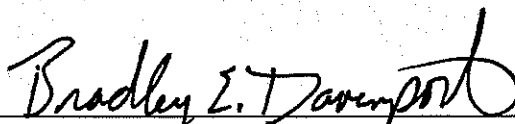
III.

Such other relief as the Court may deem necessary, just, and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES  
MELANIE HALL, ADMINISTRATOR

By:



Bradley E. Davenport, OBA No. 18687  
Robert E. Fagnant, OBA No. 30548  
Oklahoma Department of Securities  
204 North Robinson, Suite 400  
Oklahoma City, Oklahoma 73102  
Telephone (405) 280-7700  
Fax (405) 280-7742  
Email: [bdavenport@securities.ok.gov](mailto:bdavenport@securities.ok.gov)  
[rfagnant@securities.ok.gov](mailto:rfagnant@securities.ok.gov)  
*Attorneys for Plaintiff*