

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA**

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
MBS Inspection Corporation, a)
Utah corporation; and Debra Ann)
Miller, an individual,)
)
Defendants.)

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

JUN 25 2010

PATRICIA PRESLEY, COURT CLERK

by _____
DEPUTY

Case No.

CJ - 2010 - 5324

**PETITION FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF**

COMES NOW the Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, (Department), and for its claims against the above-named Defendants, alleges and states 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 (Supp. 2009), by Defendants MBS Inspection Corporation and Debra Ann Miller (collectively, "Defendants"). The Department accuses Defendants of offering and selling unregistered securities in violation of Section 1-301 of the Act, failing to register as agents in violation of Section 1-402 of the Act, employing unregistered agents in violation of Section 1-402 of the Act, and/or perpetrating a fraud in connection with the offer, sale or purchase of securities in violation of Section 1-501 of the Act.

JURISDICTION

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

3. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer, sale and/or purchase of securities, are subject to the provisions of the Act. By virtue of their transaction of business by contract and otherwise and commission of other acts in this state, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

4. Defendants have engaged and are engaging in acts and practices in violation of the Act. Unless enjoined, they will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

DEFENDANTS

5. MBS Inspection Corporation (MBS) is a Utah corporation, with a purported business address in Duncan, Oklahoma. The identified address is a residential property that is under contract for purchase by MBS. The transaction has not yet closed. At all times material hereto, MBS issued, offered and/or sold securities in and/or from Oklahoma as described herein. Such securities have not been registered under the Act or any predecessor act.

6. Debra Ann Miller (Miller), an individual and Oklahoma resident, is the president and chief executive officer of MBS. At all times material hereto, Miller offered and/or sold securities in and/or from Oklahoma as described herein. Defendant Miller has not been registered under the Act in any capacity.

NATURE OF THE CASE

7. Beginning in or about April 2010, and continuing to the present, Defendants have engaged in the issuance, offer and/or sale of an investment opportunity in and/or from the state of Oklahoma to investors (Investors). Such investment opportunity involves shares of stock in MBS. Defendants promise the issuance of stock certificates and claim that the stock will be publicly traded in the future.

8. Investors have and continue to provide monies to Miller for shares of stock in MBS.

9. Defendants represent that MBS is a company that provides inspection services. These inspections include, but are not limited to, pipeline right of ways and clean-up of gulf coast oil spills.

10. Defendants falsely represent that MBS has contracts to participate in the inspections described in paragraph 9 above.

11. Defendants have failed to deliver offering materials or other similar documents to Investors. Defendants have also failed to deliver stock certificates.

12. Investors' funds have been deposited in accounts held at Oklahoma banks. Defendants have not invested or otherwise used the funds to generate promised investment returns.

13. Defendant Miller has a March 2009 felony conviction in the state of Utah for theft by deception.

FIRST CAUSE OF ACTION

(Violation of Section 1-301 of the Act: Offer and/or Sale of Unregistered Securities)

14. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 14 above.

15. The MBS stock is a security as defined by Section 1-102 of the Act.

16. Defendants offered and sold the stock in and/or from Oklahoma.

17. The MBS stock is not and has not been registered under the Act for offer and/or sale in this state.

18. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-301 of the Act.

SECOND CAUSE OF ACTION

(Violation of 1-402 of the Act: Failure to Register as Agents and Employing Unregistered Agents)

19. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding cause of action.

20. MBS is an issuer as defined in Section 1-102 of the Act.

21. Defendant Miller, by virtue of her efforts and activities in representing MBS in effecting or attempting to effect purchases or sales of its securities, is an agent as defined in Section 1-102 of the Act.

22. Defendant Miller is not, and has not been, registered under the Act as an agent. Defendant Miller transacted and is transacting business in this state as an agent without the benefit of registration under the Act.

23. MBS has employed and currently employs at least one unregistered agent.

24. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violation Section 1-402 of the Act.

THIRD CAUSE OF ACTION

**(Violation of Section 1-501 of the Act:
Untrue Statements of Material Fact and Omissions of Material Fact
in Connection with the Offer, Sale of Purchase of Securities)**

25. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

26. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, have made, and are making, untrue statements of material fact including, but not limited to, the following matters:

- a. Defendants will invest or otherwise use the Investors' funds in a manner to generate promised investment returns; and
- b. Defendants have contracts to engage in the clean up of gulf coast oil spills and to inspect pipeline right of ways.

27. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, omitted and are omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were and are made, not misleading, including, but not limited to, the use by MBS of investor funds for the payment of personal expenses of Defendant Miller including, but not limited to, her gambling activities.

28. By reason of the foregoing, Defendants, directly and/or indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

FOURTH CAUSE OF ACTION

(Violation of Section 1-501 of the Act: Engaging in any Act, Practice, or Course of Business Which Operates or Would Operate as a Fraud or Deceit upon any Person)

29. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

30. Defendants, in connection with the offer, sale or purchase of securities, and through the misrepresentations or omissions of material fact described in paragraphs 26 and 27 above, have engaged and are engaging in an act, practice, or course of business that has operated, and continues to operate, as a fraud or deceit upon other persons.

31. By reason of the foregoing, Defendants, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

PRAYER FOR RELIEF

Defendants have engaged in acts and practices in violation of the Act and have, as a result of these activities, received a substantial amount of money from Investors. Unless enjoined, Defendants will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object. A danger exists that the money received by Defendants from the Investors or money or securities held by Defendants on behalf of the Investors will be lost, removed or transferred. A temporary restraining order to issue *instanter* and temporary and permanent injunctions to issue against Defendants are necessary to preserve the money received and money or securities held, to preserve the records relating thereto and to prevent further violations of the Act.

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

I.

A temporary restraining order to issue *instanter* and temporary and permanent injunctions, restraining and enjoining the Defendants, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the restraining order or temporary and/or permanent injunctions, by personal service, facsimile or otherwise, and each of them from offering and selling any security in and/or from this state including, but not limited to, the MBS stock;

II.

An order *instanter* prohibiting Defendants, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the order, by personal service, facsimile or otherwise, and each of them from tampering with, mutilating, altering, fabricating, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to Defendants and/or the MBS stock;

III.

An order *instanter* freezing the assets of Defendants and ordering that all banks, depository institutions, brokerage firms, or other financial institutions comply with the Court's order;

IV.

An order *instanter* prohibiting Defendants, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the order, by personal service, facsimile or otherwise, and each of them from directly or indirectly, transferring, withdrawing, concealing, removing, destroying, or otherwise disposing of any and all assets;

V.

An order requiring Defendants to make restitution to any and all Investors who purchased securities from Defendants or who transferred money to Defendants for the purpose of investing in the MBS stock or otherwise making investments on their behalf;

VI.

An order requiring Defendants, their agents, servants, employees, assigns, and all persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, to disgorge all ill-gotten gains;

VII.

An order imposing a civil penalty against Defendants in the amount of Fifty Thousand Dollars (\$50,000.00) each; and

VIII.

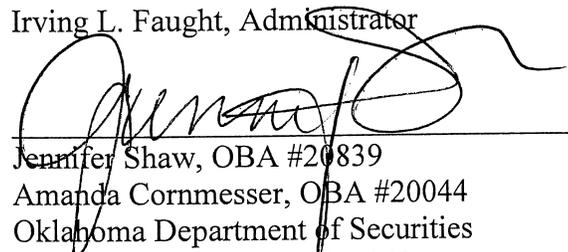
Such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES

Irving L. Faught, Administrator

By:



Jennifer Shaw, OBA #20839
Amanda Cornmesser, OBA #20044
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
Telephone (405) 280-7700
Fax (405) 280-7742

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

Irving Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing Petition for Permanent Injunction and Other Equitable Relief and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information and belief.

(SEAL)



Irving L. Faught, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 25~~th~~ day of June, 2010.

(NOTARIAL SEAL)



Notary Public

