

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

MAR 10 2014

TIM RHODES  
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Oklahoma Department of Securities	)
<i>ex rel.</i> Irving L. Faught,	)
Administrator,	)
	)
Plaintiff,	)
	)
v.	)
	)
Timothy P. Hamilton, Jr.	)
a/k/a T.J. Hamilton, an individual;	)
Timothy P. Hamilton, an individual; and	)
Gena C. Hamilton, an individual;	)
	)
Defendants.	)

Case No. CJ-2013-6974

**REPLY OF OKLAHOMA DEPARTMENT OF SECURITIES**

Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, (“Plaintiff”), in reply to *Defendant’s Answer & Counterclaims* (Answer and Counterclaims), alleges and states as follows:

Defendants have not stated facts sufficient to sustain an independent cause of action that would constitute a counterclaim in the Answer and Counterclaims. *Allied Paint Mfg. Co. v. Banes*, 208 Okla. 119, 122 (1953). Further, Defendants have failed to seek any affirmative relief, that is, “some specific recovery that cannot be given ... under pleadings that are strictly defensive, and that serve only to compel the plaintiff to prove his own cause of action.” *Id.* at 121 (internal citation omitted.)

Finally, the statements made by the Defendants in paragraphs 45-48, 50-52, 54 and 55, present matters that attempt merely to defeat the causes of action alleged in the Plaintiff’s *Petition for Permanent Injunction and Other Relief*. Such matters amount to defenses and not counterclaims. *Id.* at 121-122.

Nevertheless, to defeat any possible construction that the allegations and statements could establish a valid counterclaim, Plaintiff hereby addresses each paragraph in the section titled "Defenses, Counterclaims and Affirmative Defenses of Defendants" in the Answer and Counterclaims:

1. While Plaintiff did not allege Defendants Timothy P. Hamilton and Gena C. Hamilton solicited, issued, offered, or sold Clean Athlete Interests, Plaintiff denies the statement in paragraph 45 of the Answer and Counterclaims.
2. While Plaintiff did not allege Defendants Timothy P. Hamilton and Gena C. Hamilton made false representations or omissions in connection with the offer and/or sale of the CAN Interests, Plaintiff denies the statement in paragraph 46 of the Answer and Counterclaims.
3. While Plaintiff is without sufficient information as to Defendants' definition and use of the term "issued" attached to the phrase "ownership interests," Plaintiff denies the statement in paragraph 47 of the Answer and Counterclaims.
4. While Plaintiff did not allege Defendants Timothy P. Hamilton and Gena C. Hamilton made false representations or omissions in connection with the offer and/or sale of Clean Athlete Interests or CAN Interests, Plaintiff denies the statement in paragraph 48 of the Answer and Counterclaims.
5. Plaintiff denies the allegation in paragraph 49 of the Answer and Counterclaims and demands strict proof thereof.
6. Plaintiff denies the allegation in paragraph 50 of the Answer and Counterclaims.
7. Plaintiff denies the allegation in paragraph 51 of the Answer and Counterclaims.
8. Plaintiff denies the allegation in paragraph 52 of the Answer and Counterclaims.

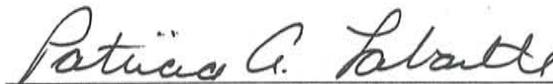
9. Plaintiff denies the allegation in paragraph 53 of the Answer and Counterclaims and demands strict proof thereof.
10. Plaintiff denies the statement in paragraph 54 of the Answer and Counterclaims.
11. Plaintiff denies the statement in paragraph 55 of the Answer and Counterclaims.
12. Plaintiff denies the allegation in paragraph 56 of the Answer and Counterclaims and demands strict proof thereof.

Wherefore, Plaintiff prays that the counterclaims, if any, contained in the Answer and Counterclaims, be dismissed with costs and Plaintiff be awarded the relief requested in its *Petition for Permanent Injunction and Other Relief*.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES  
Irving L. Faught, Administrator

By:

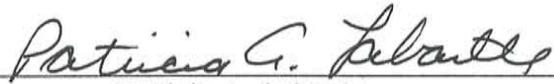


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## CERTIFICATE OF MAILING

The undersigned certifies that on the 10th day of March, 2014, a true and correct copy of the foregoing by first class mail, with postage prepaid thereon, addressed to:

N. Kay Bridger-Riley  
Bridger-Riley & Associates  
4528 South Sheridan, Suite 216  
Tulsa, OK 74145



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Patricia A. Labarthe