

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

APR - 7 2015

TIM RHODES  
COURT CLERK

Oklahoma Department of Securities )  
ex rel. Irving L. Faught, Administrator, )  
 )  
Plaintiff, )  
vs. )  
Bruce Scambler, )  
 )  
Defendant. )

CJ-2014-1346

**DEFENDANT'S MOTION FOR DEMURRERS**

COMES NOW, Bruce J Scambler, and submits this DEFENDANT'S MOTION FOR DEMURRERS by and through Defendant, Bruce J Scambler pro se.

I INTRODUCTION

- 1 Defendant, Bruce Scambler (hereinafter Scambler) is attempting to put together a defense to this action. One of the initial difficulties faced is that this action, as plead, in the petition, is essentially an allegation on a singular "action" which is one singular thing done with multiple possible outcomes. Apparently there was one \$15,000 offer and sale of stock in October 2010 to an existing shareholder, and some offers with no sales made. We shall call this sale the "round peg", which should go in the round hole in the peg board. The plaintiff in the petition prays for relief pursuant to § 1-603 filing in the Oklahoma district civil court. <sup>1</sup> Reading § 1-603 A it covers a very wide scope of potential latitude as to how plaintiff's claim might fit within the many options envisaged under that section §1-603A for such a civil action.
- 2 There is not a singular court response to a § 1-603 A pleading. "It is not a monopoly card, "go to jail, do not pass go, do not collect \$200.00". Depending on which option is plead then leads to a whole range of court options which are in effect "punishments" from \$5,000 to \$250,000 fines, to injunctions, to reparations. <sup>2</sup> If you compare this situation to the simple

<sup>1</sup> The Act refers to Article 6 - Administration and Judicial Review, Section 1-603 - Title 71. Securities.

<sup>2</sup> B. In an action under this section and on a proper showing, the court may:

1. Issue a permanent or temporary injunction, restraining order, or declaratory judgment;
2. Order other appropriate or ancillary relief, which may include:

game of pegs and holes, there are here several shaped holes, a round hole, a square hole, the crescent moon hole, the rectangular hole et al. If the plaintiff gets his peg through a hole, you the defendant get punished, and depending on which hole and the size of the peg, depends on your degree and severity of punishment. The rule being that it appears that “even if you were innocent” if the plaintiff gets his peg through any hole you the defendant get punished. (See DEPT. OF SECURITIES ex rel. FAUGHT v. BLAIR and the related case DEPT. OF SECURITIES ex rel. FAUGHT v. WILCOX). (As discussed below)

3 So looking at the scope of § 1-603 A and § 1-603 B you would envision that depending on which “hole” it goes through depends on your “*punishment*”.<sup>3</sup> The Wilcox case involved some \$77,583.050.00 of funds ponzi’d through an account. As the Wilcox’s apparently made little to no reply it appears it was uncontroverted that the Wilcoxes’ bank accounts were used in furtherance of Schubert’s check-kiting scheme to create the “float” used by Schubert to pay purported investment returns. The Wilcoxes did not dispute Department’s evidence of the numerous transactions between their accounts, nor the more than seventy-seven million dollars in deposits to Schubert from the Wilcoxes. They admitted receiving \$77,583.050.00 over the course of their dealings with Schubert. The “Department’s evidence reflected that the net profit to the Wilcoxes was at least \$625,518.00. The trial court entered judgment in favor of the plaintiffs and against the defendants in the amount of \$509,505.00, plus prejudgment and post-judgment interest, and ordered that amount to be paid to the receiver. That would be a case where as there was no timely reply of defendant and the § 1-603 A claim amounted to a \$509,505.00 profit – which is “a really large round peg” in regard to § 1-603 B

4 The plaintiff has it appears as it stands is holding a peg, rather at \$15,000 a very thin round peg. The trouble is such a thin round peg can slip fit through any of the peg holes in the peg

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a. an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator, that may be the Administrator, for the defendant or the defendant’s assets,  
b. ordering the Administrator to take charge and control of a defendant’s property, including investment accounts and accounts in a depository institution, rents, and profits; to collect debts; and to acquire and dispose of property,  
c. imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or up to Two Hundred Fifty Thousand Dollars (\$250,000.00) for more than one violation; an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act, and  
d. ordering the payment of prejudgment and postjudgment interest; or

3. Order such other relief as the court considers appropriate

<sup>3</sup> DEPT. OF SECURITIES ex rel. FAUGHT v. WILCOX 2011 OK 82, 267 P.3d 106. Case Number: 109111 Decided: 10/11/2011 THE SUPREME COURT OF THE STATE OF OKLAHOMA

board. The plaintiff does not specify (in its petition) which hole this peg is meant to go in. Currently this thin round peg could go in the round hole, but equally this thin round peg (they claim by non-specificity) could also go in through the square hole, the crescent hole or the rectangle hole. That is the nature of not pleading with specificity in relation to statute what is being persecuted. The plaintiff just wants to be in § 1-603 B punishment phase ASAP.

5 The court is requested to take this § 1-603 A component in steps and stages, and to define the rules here. As plead by the plaintiff, it appears there are several options which makes it not at all clear to defendant exactly what hole this round peg can fit through. (In reality petition is not plead specifically as to which part of § 1-603A this singular act applies to).

6 The defendant herein prays for relief. In simple essence the defendant prays the court to set out with clarity the rules, that the thin round peg may only go through a "thin round hole". Defendant demurs, requesting the court deny plaintiff access to the other holes, under the act, pursuant to components of § 1-603 A which are not appropriate and have not been plead with specificity or peculiarity. <sup>4</sup>

## II SCOPE OF RESPONSE TO PREPARE A DEFENSE

7 In question, as to applicable facts, defendant demurs for clarity as to what exactly is the Administrator claiming is the application of § 1-603A? Application of the pleading's alleged acts has several possible outcomes under this section. The options appear to be that defendant has

- i) engaged in an act or course of business
  - i. either "constituting a violation of an order issued under this act"
  - ii. or "constituting a dishonest or unethical practice" or
- ii) that defendant has engaged in an act, practice, or course of business that materially aids a violation of this act or a rule adopted or order issued under this act or a dishonest or unethical practice.

8 Defendant specially demurs to the petition of the plaintiff, and requests the court grant same to defendant in regard to application of § 1-603A

Section Demur

Below

IV Demurrer: that defendant was not privy to or conducting actions constituting

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<sup>4</sup> The Act refers to Article 6 - Administration and Judicial Review, Section 1-603 - Title 71. Securities.

“a dishonest or unethical practice” under § 1-603A

V Demurrer: that defendant has not engaged in an act, practice, or course of business that materially aids a violation of this act or a rule adopted or order issued under this act or a dishonest or unethical practice.

VI Demurrer: that the plaintiff’s pleading as to “an issuer under his control” is not proven as to showing a relationship to Scambler at the time of the offerings, and as such does not show that “defendant via issuer” has engaged in an act or course of business ...constituting a violation of an order issued under this act.

VII Demurrer: that the plaintiff’s pleading as to defendant did not show plaintiff personally acted to violate an order in the period January 5, 2011 To March 2014.

VIII. Demurrer: that defendant did not personally act to violate an order in the period November 3, 2010<sup>to</sup> January 5, 2011.  
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### III COURT HAS JURISDICTION AND AUTHORITY TO MAKE THIS RULING

9 The plaintiff claims that “*Defendant and an issuer under his control have offered and sold securities in and from Oklahoma in violation of an Order to Cease and Desist issued by the Administrator of the Department (“Administrator”) on June 11, 2009*” and then that this claim as plead in some “unspecified way” comes within Article 6 - Administration and Judicial Review, § 1-603 - Title 71. Securities.

10 This action as plead under § 1-603 has no specificity. What is plead could cover numerous applications of § 1-603 spread like a hopeful fishing net. It is not clear whether plaintiff is pleading for just an act done by defendant himself in relation to an order, or also act(s) of defendant doing so dishonestly, and even acts of defendant as being involved with an issuer where his acts aided in the breach of the Securities Act. Are there three or four possible holes here or just one? Having multiple holes this slim round peg fits through would in effect give the plaintiff more goes and options than would be fair in an umpired game. The more goes and bites of the cherry given the plaintiff, the more it would require defendant to increase the scope and cost of his defense. <sup>5</sup>

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<sup>5</sup> with rules specified as to allow only a singular shape matching hole, the defendant might’ st show that § 1-603 A is not applicable and keep this matter out of the court, and save him and his fellow taxpayers the expense the plaintiff seems intent on expending.

11 Pleadings in case law do not appear to have many appeal cases regarding pleading under § 1-  
603 A, and requirement for specificity. The recent case DEPT. OF SECURITIES ex rel.  
FAUGHT v. BLAIR dealt with a \$75,000,000 or more Ponzi scheme, and ~~whether~~ the  
“innocent” victims of a Ponzi scheme to force them to pay to the Department of Securities  
those amounts they received from the Ponzi scheme which are in excess of their investments  
in that scheme. Those innocent victims were not it appears apprised of the need for  
specificity nor aware that money they earned as profit 4-5 years before could be ordered to be  
repaid.

12 This case herein on § 1-603 may thus be a case on the facts of some first impression.

13 Guidelines for what the defense can expect seem to have a degree of width depending on  
exactly what is being plead. (i) The facts here as plead may allude to an act “constituting a  
dishonest or unethical practice” which could be close to a claim for of fraud. (ii) The facts  
here may alternatively allude to an act “that materially aids a violation of this act” which  
could be close to a claim aiding and abetting. Consider these options.

i) For fraud or dishonesty (pleading allude to an act “constituting a dishonest or unethical  
practice”) the law is currently that plaintiff must plead with sufficient “specificity” as  
required so much as will apprise a defendant of the conduct complained of so the  
opposing party may prepare responsive pleadings and defenses. <sup>6</sup> Gay v. Akin, sets out  
that *In construing the Oklahoma Pleading Code's provisions which govern fraud  
allegations, and in determining the detail necessary to satisfy the "particularity"  
requirement, we are obliged to look to the Federal Rules of Civil Procedure - the  
progenitor of our pleading code. Since the text of Federal Rule 9(b) is incorporated  
verbatim in the Oklahoma pleading code, federal and state jurisprudence is instructive.  
We note initially that the particularity requirement extends to all averments of fraud,  
regardless of the theory of legal duty - statutory, tort, contract or fiduciary. To satisfy the  
requirements of § 2009(B), it is unnecessary to plead each element of fraud in detail if the  
circumstances constituting fraud are stated with particularity.* <sup>7</sup> Reviews of Federal  
Rules of Civil Procedure have shown the courts to be “sensitive to the importance of  
protecting defendants from baseless charges of wrongdoing which can injure personal and

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<sup>6</sup> HOWARD FAMILY CHARITABLE FOUNDATION, INC. v. TRIMBLE 2011 OK CIV APP 85, 259 P.3d 850

<sup>7</sup> 1988, OK 150, ¶8, 766 P.2d 985, 990

professional reputations”<sup>8</sup> Memel Jacobs' motion to dismiss was granted as to OAD's federal securities law indemnity claims which was the biggest part of their potential loss.<sup>9</sup> While filed in civil court this action by plaintiff has considerable importance in relation to a professional career, and defendant is requesting the court to protect defendant from “baseless charges of wrongdoing which can injure personal and professional reputations” by limiting the scope of the claim. There is a great deal of difference between:

- a) “deliberate acts constituting a dishonest or unethical practice” or “abetting or engaging in an act, practice, or course of business that materially aids a violation of this act...or dishonest or unethical practice”.
- b) An unintentional singular possible transgression of an order by actions not under control of defendant.

9 (i)(a) is professional tantamount to professional misconduct, 9 (i)(b) is an error or ineptness.

The defendant would argue that the plaintiff's pleading is not specific in any way, does not mention dishonest or unethical practice or fraud, and as such fails as the *circumstances constituting [the breach with respect to dishonest or unethical practice] are NOT stated with particularity*

- ii) These pleadings by the state of Oklahoma against a single individual practicing professional whether in possibly aiding or abetting a securities violation or other dishonesty claim, is tantamount to a criminal prosecution. Look at the equivalent potential repercussions to a criminal court action, including fines, court orders to refrain from actions and potential jail time for contempt of court, internet stigma, inability to obtain work, inability to borrow, peer rejection, it is as if you are being prosecuted and in essence indicted by the state. Following that analogy extract what the state requires for inclusion in the basic criteria for determining the sufficiency of an Information or Indictment in Oklahoma. The test of the sufficiency of an Information is whether it alleges every element of the offense intended to be charged, and sufficiently apprises defendant of what he must be prepared to meet and so defines and identifies the offense that if convicted or acquitted will be able to defend himself against any subsequent

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<sup>8</sup> see First Federal Savings & Loan Association of Pittsburgh v. Oppenheim, Appel, Dixon & Co., 634 F.Supp. 1341 (S.D.N.Y. 1986)(analyzing particularity of third-party claim alleging aiding and abetting of securities fraud)

<sup>9</sup> denied in all other respects

prosecution of the same offense.<sup>10</sup> Referring to the much cited *Plotner v. State*<sup>11</sup>, the test set out in *Lamb v. State* is a tripartite test, requiring a valid Information to include: (1) the essential elements of the offense charged [an "essential elements" test]; (2) a sufficient enough description of these elements to inform the defendant of the nature and cause of the charge [a "specificity" test]; and (3) a description [762 P.2d 941] adequate enough to permit a later defense of former jeopardy [a "double jeopardy" test]. For the reasons set out here-in defendant is not given sufficient enough description of the elements in § 1-603A to inform the defendant of the nature and cause of the claim (charge). The defendant would argue that the plaintiff's pleading is not specific in any way, does not mention "aid", and as such fails as the circumstances constituting [the breach with respect to "aid" with or without dishonest or unethical practice] are NOT stated with sufficient specificity or particularity

- 14 Perhaps this lack of specificity or particularity would be possible for a trained attorney to wade through and muddle along with, but for a pro se litigant there is not such a luxury.<sup>12</sup> Under current law the Attorney can muddle by and still get paid and recover fees. The pro se litigant can not muddle by, he has to struggle for each element and he gets no payment or recovery of fees. It is a current known stigma of US law and especially civil law "it does not reach down to the lower classes". Some argue this that this clouds fairness where only the wealthy get attorneys, where only the wealthy or a class action can fight state and federal limitless actions. That may be the situation, the harsh reality is that for a pro se litigant he/she must account for each hour as time away from work unpaid and time away from family. That onus makes it especially necessary to not have to be spending precious resources and time on preparing for multiple possible nebulous defenses, when one should be enough, just because the state does not plead with specificity or particularity.
- 15 The general rule "that ambiguity and lack of specificity of an information are not jurisdictional defects" is not acceptable and defendant enters by this motion timely demurrers,

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<sup>10</sup> *Lamb v. State*, 626 P.2d 1355, 1356 (Okl.Cr. 1981)

<sup>11</sup> *PLOTNER v. STATE* 1988 OK CR 139 762 P.2d 936 Case Number: F-84-772 Decided: 07/15/1988 Oklahoma Court of Criminal Appeals

<sup>12</sup> many state court systems are experiencing an increasing proportion of pro se litigants.[1] Estimates of the pro se rate. In New Hampshire one party is pro se in 85% of all civil cases in the district court and 48% of all civil cases in the superior court in 2004. In superior court domestic relations cases, almost 70% of cases have one pro se party, while in district court domestic violence cases, 97% of the cases have one pro se party.[1] of family law overall averaged 67% in California, 73% in Florida's large counties, and 70% in some Wisconsin counties.[1] In San Diego, filings involving at least one pro se litigant rose from 46% in 1992 to 77% in 2000, in Florida from 66% in 1999 to 73% in 2001.[1]

to request the court rule as to the non-applicability of these elements.<sup>13</sup> In response to defendants timely demurrers the court has jurisdiction and authority to rule as to the application of the elements.

IV. DEMURRER: THAT DEFENDANT WAS NOT ENGAGED IN AN ACT OR COURSE OF BUSINESS CONSTITUTING A DISHONEST OR UNETHICAL PRACTICE

- 16 The Administrator claims that *Defendant and an issuer under his control have offered and sold securities in and from Oklahoma in violation of an Order to Cease and Desist.*
- 17 The order is specific as to acts within Oklahoma and makes no mention of any action “constituting a dishonest or unethical practice”.
- 18 Scambler has worked and practiced in Oklahoma as a CPA, performing compilations, attestations, taxes and investigations. Scambler has over 15 years of experience as an Oklahoma CPA, and with over 600 hours of ongoing continued professional education (completing 40 hours per year). Scambler has completed work in specialist fields as an Oklahoma CPA. He has testified as a Forensic Expert Witness in Business matters relating to marital property in divorces and other disputes. In fact Mr Scambler testified for a client of Attorney Beau Williams, spending time over several weeks working at her offices.
- 19 Scambler has also passed the requirements and has practiced as a CFF – Certified Forensic Accountant. As a Forensic Accountant CPA Scambler has uncovered, exposed and put out of business many disreputable and dishonest promoters, details of which would refute such claims in CJ-2014-1346. (Exhibit #8 of 2<sup>nd</sup> reply to MFSJ ).
- 20 Scambler became the CEO of Bedford Energy Inc. an independent oil and gas company around July 2010. This role and position came through working on a recovery of the Warren well. The deal with Bedford enabled this well to be purchased and for Bedford acquisition to close upon completion of the works. The works extended out due to downhole cement and water issues and the Bedford deal did not close prior to Cantex being taken on by Harvey Bryant. Scambler had the focus and responsibility for the production and was working on the field assets and oil and gas.
- 21 Comes now, therefore, the defendant, Scambler, and demurs to the petition of the plaintiff

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<sup>13</sup> Allen v. State, 734 P.2d 1304 (Okl.Cr. 1987); Pruitt v. State, 670 P.2d 999 (Okl.Cr. 1983). If not timely challenged, informations will always be liberally and aggressively construed. However, if the lack of specificity prevents the defendant from adequately preparing his defense, the defect can be raised later in the proceedings — even though a proper and timely demurrer was not filed. Smith v. State, 572 P.2d 262, 264-65 (Okl.Cr. 1977); Haley, 554 P.2d at 103-04.

herein for the reason that said petition does not state facts sufficient to constitute a cause of action in favor of the plaintiff as a claim of dishonest or unethical practice against the defendant as to § 1-603A. The defendant specially demurs to the petition of the plaintiff filed herein for the following reasons to wit:

"Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendants constituted a dishonest or unethical practice

V. DEMURRER: THAT DEFENDANT DID NOT MATERIALLY AID A VIOLATION OF THIS ACT

- 22 The Administrator claims that *Defendant and an issuer under his control have offered and sold securities in and from Oklahoma in violation of an Order to Cease and Desist* but makes no mention that defendant has aided in such.
- 23 For Defendant to have "aided a violation" then Mr Maurin or Mr Bryant would have had to be committing a violation in relation to Cantex. The OK Administrator has not brought any action against Mr Maurin. OK Administrator admits to meeting with Harvey Bryant and in and around 2012. No administrative hearing, nor title 71 Court action was instigated, nor is on record prior to Mr Harvey Bryant's death. Thus it has to be concluded that there was no "violation of this act or a rule adopted or order issued under this act or a dishonest or unethical practice". Defendant could thus, **not** materially aid a non-existent violation.
- 24 Comes now, therefore, the defendant, and demurs to the petition of the plaintiff herein for the reason that said petition does not state facts sufficient to constitute a cause of action in favor of the plaintiff and against the defendant as to § 1-603A. materially aids a violation of this act or a rule adopted or order. The defendant specially demurs to the petition of the plaintiff filed herein for the following reasons to wit:

"Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendant engaged in an act, practice, or course of business that materially aids a violation of this act or a rule adopted or order issued under this act or a dishonest or unethical practice.

VI. DEMURRER: THAT DEFENDANT DID NOT HAVE AN ISSUER UNDER HIS CONTROL

- 25 The Administrator claims that “*Defendant and an issuer under his control have..*” transgressed § 1-603A. In regard to “an issuer under his control”, the defendant specially demurs to the petition of the plaintiff filed herein for the following reasons to wit: said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege (with sworn or certified documents attached to affidavits or the petition) that the defendant, **at the time** of the alleged offers and sales of the CanTex Stock August 12th, 2010 to Nov 3, 2010 that Defendant was “*in control*”.
- 26 The plaintiff have not shown any engagement letter, (Scambler as a practicing CPA was not offered any engagement for his services), no letter of appointment as Chairman of the Board of Directors or President of CanTex;, (see Exhibit 4 standard practice for Cantex) no offer of compensation, no contract of employment, no inducement to take on the “control” of an unknown public company entity. That absent a contract or payment, or other normal form of appointment, Scambler’s position in the period August 12<sup>th</sup>, 2010 to November 3<sup>rd</sup>, 2010, was at best conditional and certainly not controlling. The demur is particular to the time August 12th, 2010 to Nov 3, 2010 during when all the alleged stock transactions of offer and sales concluded.
- 27 The following key points would show that **Scambler was never “in control” in the period August 2010 to October 2010:**
- i) **Stock Control:** Scambler had no dealings with the stock Transfer Agent of Cantex, in this time Plaintiff claims offers were made, only being granted account access November 3, 2010. (**No contrary evidence in plaintiff petition**) and (Exhibit #1 as attached (being same as Exhibit 4 of 2<sup>nd</sup> reply to MFSJ))
  - ii) **Executive Control:** Scambler had no executive employment contract until January 2011 (**No contrary evidence in plaintiff petition**)
  - iii) **Director Appointment:** Scambler had no letter of appointment (**No contrary evidence in plaintiff petition**)
  - iv) **Professional Consulting:** Scambler had no engagement letter for his services. (**No contrary evidence in plaintiff petition**)
  - v) **Stock Ownership:** Scambler held no stock in Cantex, Scambler was in possession of no stock certificates in the Revised Relevant Period (other than the Ball returned CERT) (**No contrary evidence in plaintiff petition**)
  - vi) **Director Minutes Records Control:** Scambler did not have possession or sight of

the company ring binder and no original or sworn or certified copy of any minutes.  
**(No contrary evidence in plaintiff petition)**

- vii) **Voting Control:** Scambler did not control any vote of shareholders or directors, two votes to one and no additional Directors were not appointed in the Relevant Period  
**(No evidence to contrary in plaintiff petition)**
- viii) **Board Vote control:** Scambler was in a minority on the board **(No evidence to contrary in plaintiff petition)**
- ix) **Records Control** Scambler did not have possession or sight of the quick books, invoices, records and did not hold the check book or the accounts. **(No evidence to contrary in plaintiff petition)**
- x) **Purchasing control:** Scambler had no access to the check book or banking. **(No evidence to contrary in plaintiff petition)**
- xi) **Press Release control:** Scambler had none. **(No contrary evidence in plaintiff petition)** and (Exhibit #2 as attached)

28 President Mr Haryey S Bryant, by contrast held a block of 60M shares of certificates of stock in Cantex, (ref the Bedford Merger nominee stock), the following points would show that President Mr Haryey S Bryant **was “in control” in the Revised relevant Period (August 12, 2010 to November 3, 2010)**

- i. **Stock Control:** Haryey S Bryant had the sole dealings with the stock Transfer Agent of Cantex, in this time Plaintiff claims offers were made. (Exhibit #1 as attached)
- ii. **Executive Control:** Haryey S Bryant took on the President role until January 31, 2011, (Exhibit #3 as attached – resignation letter. **Minutes of Company**
- iii. **Director Appointment:** Haryey S Bryant was appointed Director. Mr Bryant was the appointed President and Secretary and in control of Cantex from August 12, 2010, **Minutes of Company**
- iv. **Consulting:** Haryey S Bryant undertook paid consulting through Bryant Investments. **(No contrary evidence in plaintiff petition)**
- v. **Stock Ownership:** Haryey S Bryant held 60M shares in Cantex and the stock certificates in the Revised Relevant Period. The control was with Mr Harvey Bryant (60M), Hayer/ Grenwal Berar (21M) and Maurin (14M) and others **(No contrary evidence in plaintiff petition)**

- vi. **Director Minutes Records Control:** Haryey S Bryant held the company ring binder  
(No contrary evidence in plaintiff petition)
- vii. **Voting Control:** : Haryey S Bryant held control of any vote with Maurin. additional  
Directors were not appointed (No contrary evidence in plaintiff petition)
- viii. **Board Vote control:** : Haryey S Bryant held was the majority on the board (No  
contrary evidence in plaintiff petition)
- ix. **Records Control :** Haryey S Bryant held had possession of quick books, invoices,  
records and the check book or the accounts. (No contrary evidence in plaintiff  
petition)
- x. **Purchasing control:** Haryey S Bryant held handled the check book and banking.  
(No contrary evidence in plaintiff petition)

29 Scambler demonstrates, through the detailed evidence, that he was never “in control” in this period August 12th, 2010 to Nov 3, 2010. As such there can not have been any intentional or circumstantial event wherein Scambler’s could control said issuer or be in “non-compliance with the C&D” or that any such act ever definitely occurred. The defendant specially demurs to the petition of the plaintiff that said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege (with sworn or certified documents attached to petition) that the defendant, (at the time of the alleged offers and sales of the CanTex Stock August 12th, 2010 to Nov 2, 2010) was in effect appointed with powers to be “in control”. Absent control in this period demurrer should be granted and plaintiff claims should be dismissed as to this component.

VII. DEMURRER: THAT DEFENDANT DID NOT PERSONALLY ACT TO VIOLATE AN ORDER IN THE PERIOD JANUARY 5, 2011 TO MARCH 2014

30 The Administrator claims that Scambler “*Defendant .....has offered and sold securities in and from Oklahoma in violation of an Order to Cease and Desist. That “Between August 2010 and March 2014 (the "Relevant Time Period"), Defendant and Cantex Energy Corp, (Cantex) offered and sold shares of the common stock of Cantex (Cantex Stock) in and from the state of Oklahoma”.*

31 Scambler post murder 2<sup>nd</sup> November 2010 of Harvey Bryants daughter Julie, closed down any Cantex Stock offers and prevented stock issues or transfers four or more years, including refusing to honor the Maurin or other shareholders options and publicizing and

whistleblowing on the contrived value of the Maurin leases to the Canadian shareholders who had bought in to them. The defendant specially demurs to the petition of the plaintiff filed herein for the following reasons to wit: said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege (with sworn or certified documents attached to petition) with any definitive weight of evidence that defendant between January 5, 2011 and March 2014 offered and sold any shares of the common stock of Cantex.

32 "Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendant has engaged in an act, practice, or course of business that is contrary to said order between January 5, 2011 and March 2014".

VIII DEMURRER: THAT DEFENDANT DID NOT PERSONALLY ACT TO VIOLATE AN ORDER IN THE PERIOD NOVEMBER 3, 2010 JANUARY 5, 2011

33 Furthermore not only was Scambler never "in control", but he also found out through investigation that Mr Maurin made false claims that CanTex was a fully reporting pink and had filed reports under § 13 of the Securities Exchange Act of 1934. Further Mr Maurin was self dealing hawking a personal family oil and gas prospect dressed up as a Cantex offering. Frankly, not since the end of rationing was mutton more fraudulently dressed up as lamb.

34 Defendant, while working on Bedford merger due diligence travelled on his own expense to Tyrell county Texas and the Maurin Ranch. There he found that Mr Trace Maurin and his brother had contrived to steer Cantex into paying for oil and gas leases on/under the Maurin Ranch. Scambler uncovered and identified the "fraud" being perpetrated by Maurin regarding his family farm oil and gas leases. Scambler was exposing the fraud to the great annoyance of the duped Canadian investors who had already invested in the play. These Maurin assets were over-priced, over promoted, were subject to drill to earn clauses needing over \$20,000,000 to sustain, or the drilled location and lease value would lapse with pugh clauses, all of this with no connection in place to get the gas to market over 10 miles away!! This was well beyond the scope and resources of Cantex which had less than \$10,000 in cash and assets.

35 What made matters worse was that Schlossen cancelled their operation and working interest and then effective Dec 2010 resigned as operator. Cantex was left being required to fund all the interest to Trace Maurin, his brother and his Father with further lease payments as due for the remaining leases. There was no possible hope that Cantex could make a well, let alone

drill ten more wells at over \$2,000,000 each to hold the leases on drill to earn basis. It would appear that up to August 2010, Mr Maurin as SOLE control person and President of Cantex had gotten in to situations with considerable conflicts of interest. This information put a significant hurdle in the way of closing the merger as contracted by LOI.

36 Scambler was not empowered, but was able to ensure that he was “on record” in Revised Minutes that he was not in control of Cantex until the merger completed. For this to be “constituting a violation of an order issued under this act” Scambler would have had to have found the time and opportunity to plan and effect such a violation himself. Scambler was not in the office or Oklahoma when much of this is claimed to have occurred. Scambler did not act to violate the order. There was nothing of value in Cantex to be “offering” and absent cleaning it up (which would be a long and expensive process) it was not a viable financing vehicle. The defendant specially demurs to the petition of the plaintiff filed herein for the following reasons to wit: said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege (with sworn or certified documents attached to petition) with any definitive weight of evidence that defendant between November 3, 2010 and January 4, 2011, while in Oklahoma sold any shares of the common stock of Cantex contrary to said order.

37 "Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendant has engaged in said act, practice, or course of business that is contrary to said order between November 3, 2010 and January 4, 2011.

#### IX. CONCLUDING ARGUEMENTS.

38 In the application of § 1-603A it matters to the defendant, first whether the claim of plaintiff even constitutes a valid claim under § 1-603A. That if it does not plaintiff would not get to push his peg through any hole and would not get to § 1-603B. Secondly, it matters to the defendant which hole the plaintiff gets to push his peg through and the number of pushes and bites of the cherry in doing so. Defendant has argued that the “holes” detailed above should be closed by grant of demurrer. It is proper for the court to grant demurrers #IV through to #VIII which close the holes for those components that have not been properly plead in the pleadings, and thereby better defines the required scope of defense.

39 Granting these demurrers is beneficial to the court as it limits the need for expensive court time and saves the defendant having to prepare for multiple possible defenses. The plaintiff

should benefit in saving Oklahoma state funds in being able to confine its legal work to making a proper showing if, when or where it gets its slim peg through to making a “proper showing”, as to the relevant plead part of § 1-603 A.

40 No Oklahoman, nor other new offered investor lost their hard earned money in the time Scambler took control by offer or sale of stock. While Scambler has the satisfaction of knowing that in the four or more years he shut down the Cantex share offers and “inflated news Press Releases” pump and dump promoted market trading on Cantex stock did not happen, (which of itself is a treasure that can not be valued nor be taken away) he has to put on a defense which will necessitate real expense of funds for travel, video depositions, discovery and motions. Limiting these § 1-603A options to the specificity and particularity of the pleadings, allowing defendant to have a singular defense is warranted.

#### X. PRAYER

41 Defendant prays the court grant demurrers #IV through to #VIII as follows:

- IV) Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendants constituted a dishonest or unethical practice
- V) Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendant engaged in an act, practice, or course of business that materially aids a violation of this act or a rule adopted or order issued under this act or a dishonest or unethical practice.
- VI) Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege (with sworn or certified documents attached to petition) that the defendant, (at the time of the alleged offers and sales of the CanTex Stock August 12th, 2010 to Nov 2, 2010) was in effect appointed with any business relevant powers to be “in control” of Cantex.
- VII) Said petition and exhibits attached thereto upon the face thereof fails to disclose or properly recite and allege that the acts of defendant has engaged in an act, practice, or course of business that is contrary to said order between January 5, 2011 and March 2014.
- VIII) Said petition and exhibits attached thereto upon the face thereof fails to

disclose or properly recite and allege that the acts of defendant has engaged in said act, practice, or course of business that is contrary to said order between November 3, 2010 and January 4, 2011.

And any other relief the court determines and such costs as are reclaimable.

respectfully submitted,

A handwritten signature in cursive script, appearing to read "Scambler", written over a horizontal line.

Bruce Scambler, pro se Defendant  
3555 N.W. 58th St., #1000 LMT West  
Oklahoma City, OK 73112  
(Tel 405 608 2700)

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 7<sup>th</sup> day of April 2015, a true and correct copy of the above and foregoing **DEFENDANT'S MOTION FOR DEMURRERS** was mailed with postage prepaid thereon, addressed to

Amanda Cornmesser (OBA No. 20044)  
Terra Shamas Bonnell (OBA No. 20838)  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City,  
Oklahoma 73102

Telephone: (405) 280-7700

Fax: (405) 280-7742



---

Bruce Scambler, pro se  
Defendant  
3555 N.W. 58th St., #1000  
Land Mark Towers West  
Oklahoma City,  
OK 73112  
Tel (405) 608 2700

---

**From:** Transfer Online, Inc - Accounts <accounts@transferOnline.com>  
**Sent:** Wednesday, November 03, 2010 1:59 PM  
**To:** webUsers  
**Subject:** Account Management Granted

You have been granted management privileges for the below Transfer Online, Inc account. Next time you log on you will be presented with the option of managing the below account.

Your online account that has been granted management privileges is:

Name: Bruce Scambler  
Username: scamblerbj@msn.com

The account you have been granted privileges to manage is:

Account Number: 828  
Account Name: Cantex Energy Corporation

If you have any questions or comments regarding this matter please e-mail us at [accounts@transferOnline.com](mailto:accounts@transferOnline.com) or phone us at 503.227.2950.

Thank you,

Transfer Online, Inc  
512 SE Salmon Street  
Portland, OR 97214  
[P] 503.227.2950 [F] 503.227.6874  
[E] [info@transferOnline.com](mailto:info@transferOnline.com) [W] [www.transferOnline.com](http://www.transferOnline.com)

BJS

Exhibit #2

**From:** Trace Maurin <tracem@mesachica.com>  
**Sent:** Friday, August 20, 2010 2:21 PM  
**To:** Kaily Ball  
**Cc:** scamblerbj@msn.com  
**Subject:** FW: CanTex Energy Corp. (PK: CTXE)

Thank You

Trace Maurin  
Mesa Chica Survey  
210-632-2793

**From:** Client Services [mailto:cs@marketwire.com]  
**Sent:** Friday, August 20, 2010 2:07 PM  
**To:** 'Trace Maurin'  
**Subject:** RE: CanTex Energy Corp. (PK: CTXE)

Dear Trace,

Thank you for your email. We've added the CanTex ticker to our database.

The release just crossed the wire; thank you for your assistance and patience.

Have a great weekend!

---

**Emily Messina**  
Associate Editor  
O: 310-765-3200  
M: 800-774-9473  
F: 310-765-3297  
E: [cs@marketwire.com](mailto:cs@marketwire.com)



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**From:** Trace Maurin [mailto:tracem@mesachica.com]  
**Sent:** Friday, August 20, 2010 11:31 AM  
**To:** Client Services  
**Subject:** FW: CanTex Energy Corp. (PK: CTXE)

To whom it may concern

Please see the attachment allowing Mr. Bryant to post the wires and admin for Cantex Energy Corp.

Thank You

Trace Maurin  
Cantex Energy Corp  
[tracem@cantexenergy.com](mailto:tracem@cantexenergy.com)  
210-632-2793

**From:** Kaily Ball [mailto:kaily.ball@gmail.com]  
**Sent:** Friday, August 20, 2010 1:18 PM  
**To:** tracem@mesachica.com  
**Subject:** Fwd: CanTex Energy Corp. (PK: CTXE)

----- Forwarded message -----

**From:** **Kaily Ball** <[kaily.ball@gmail.com](mailto:kaily.ball@gmail.com)>  
**Date:** Fri, Aug 20, 2010 at 12:28 PM  
**Subject:** CanTex Energy Corp. (PK: CTXE)  
**To:** [cs@marketwire.com](mailto:cs@marketwire.com)

To Whom it May Concern:

Harvey Bryant, President of CanTex Energy Corp (PK: CTXE), gives blanket permission to Newport Capital Consultants to submit any releases for CanTex Energy Corp. as of August 20, 2010.

If you have any question please feel free to call 405-601-9745.

Thank You,

Harvey Bryant  
President  
CanTex Energy Corp.  
6301 Waterford Blvd., Suite 403  
Oklahoma City, OK 73118  
405-601-9745

Exhibit #3

January 31, 2011

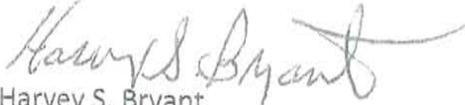
To: Board of Directors  
Cantex Energy Corp.  
6301 Waterford Blvd., Suite 403  
Oklahoma City, OK 73118

Attn: Bruce Scambler  
Chairman of Board

Due to recent family issues, I hereby resign as President and Secretary of Cantex Energy Corp, effective January 31, 2011.

I will, however, remain as a member of the Board of Directors. I will continue to encourage and promote the growth of Cantex.

Sincerely,

  
Harvey S. Bryant

63

Exhibit #4

ACCEPTANCE OF APPOINTMENT AS DIRECTOR

Of

CANTEX ENERGY CORP.

I, Gary McKenzie, of \_\_\_\_\_, Granbury, TX, having been appointed a Director of Cantex Energy Corp, a Nevada State Corporation, do hereby accept said position effective as of the time of my appointment on this 14th day of June, 2006.

\_\_\_\_\_  
Director