

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

JUL - 3 2014

TIM RHODES
COURT CLERK

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Oklahoma Department of Securities)
<i>ex rel.</i> Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Vernon Donell Coleman, an individual, and)
COMO Marketing LLC, an Oklahoma limited)
liability company,)
Defendants.)

Case No.

CJ - 2014 - 3815

PETITION FOR PERMANENT INJUNCTION
AND OTHER RELIEF

Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, (“Department”),
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 (the “Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), by Vernon Donell Coleman (“Coleman”) and COMO Marketing LLC (“COMO”) (collectively, “Defendants”). Specifically, the Department alleges Defendants have offered and sold unregistered securities in violation of Section 1-301 of the Act, acted as an unregistered agent or employed unregistered agents, in violation of Section 1-402 of the Act, and/or perpetrated a fraud in connection with the offer, sale or purchase of securities in violation of Section 1-501 of the Act.

JURISDICTION

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

3. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with

their offers and/or sales of securities in and/or from this state, are subject to the provisions of the Act. By virtue of their activities in this state, as described herein, Defendants are subject to the jurisdiction of this Court and to service of summons within this state and outside of this state.

4. Venue is proper in this county.

DEFENDANTS

5. Coleman is an individual and was, at all times relevant hereto, an Oklahoma resident and a managing member of COMO. Coleman offered and/or sold securities in and/or from Oklahoma.

6. COMO was, at all times relevant hereto, an Oklahoma limited liability company located in Mounds, Oklahoma. COMO is currently in an inactive status with the Oklahoma Secretary of State. At all times relevant hereto, COMO issued, offered and/or sold securities in and/or from the state of Oklahoma as described herein through Coleman and Monte Moniz (“Moniz”), who is now deceased. At all times relevant hereto, the securities of COMO were not registered under the Act.

7. Coleman and Moniz were not registered in any capacity under the Act.

NATURE OF THE CASE

8. On December 8, 2009, in connection with a separate matter, the Department issued a Final Order to Cease and Desist against Coleman (“C&D Order”). The Department ordered Coleman to cease and desist from engaging in any act, practice or course of business constituting a violation of the Act.

9. In or about July 2011, Defendants began to offer and/or sell investment opportunities (“COMO Opportunities”).

10. COMO purportedly operated a “private investment club” that worked with a so-

called “Financial Trade Service Provider” (“FTSP”) to provide the “Private Investment Club Members” (“Investors”) with a return on investment ranging from 2.5% up to 10% per month, depending on the amount of the investment. The FTSP was purportedly a team of individuals experienced in investing in capital markets.

11. Coleman told Investors the COMO Opportunities were without risk.

12. Coleman told Investors the COMO Opportunities were insured up to One Million Dollars (\$1,000,000).

13. Defendants purportedly pooled Investor funds to establish a higher return on investment.

14. COMO raised approximately Fifty-Five Thousand Dollars (\$55,000) from two Oklahoma residents.

15. The Investors did not receive a return on their investments, the return of their principal, or any insurance proceeds.

16. Coleman used Investor funds for payment of his personal expenses.

FIRST CAUSE OF ACTION AGAINST DEFENDANTS

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

17. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 16 above.

18. The COMO Opportunities are securities as defined by Section 1-102 of the Act.

19. The securities offered and sold by Defendants are not and have not been registered under the Act.

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

SECOND CAUSE OF ACTION AGAINST DEFENDANTS

(Violation of Section 1-402 of the Act: Failure to Register as an Agent)

21. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding cause of action.
22. COMO is an issuer as defined in Section 1-102 of the Act.
23. Coleman, by virtue of his efforts and activities in transacting business in and/or from this state, is an agent, as defined in Section 1-102 of the Act.
24. Coleman and Moniz were not registered in any capacity under the Act.
25. COMO employed at least two unregistered agents.
26. By reason of the foregoing, Defendants have violated, and unless enjoined, will continue to violate Section 1-402 of the Act.

THIRD CAUSE OF ACTION AGAINST DEFENDANTS

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

27. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.
28. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, made untrue statements of material fact including, but not limited to, the following matters:
 - a. that the COMO Opportunities were risk free;
 - b. that COMO relied on the services of individuals experienced in investing in capital markets to achieve the represented rates of return; and
 - c. that the COMO Opportunities were insured up to One Million Dollars (\$1,000,000).

29. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading including, but not limited to, the following matters:

- a. any general or specific risk factors associated with the COMO Opportunities;
- b. that the COMO Opportunities are securities subject to regulation under the Act;
- c. that the COMO Opportunities were not registered under the Act;
- d. that Coleman would use COMO Investor funds for payment of his personal expenses; and
- e. that Coleman was previously ordered to cease and desist from any act, practice or course of business constituting a violation of the Act.

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

FOURTH CAUSE OF ACTION AGAINST DEFENDANTS

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

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

32. Defendants, in connection with the offer and/or sale of securities, and through the use of the untrue statements of material fact and the omissions of material fact described above, have engaged in an act, practice, or course of business that has operated as a fraud or deceit upon Investors.

33. By reason of the foregoing, Defendants, directly and indirectly, have violated and

unless enjoined, will continue to violate Section 1-501 of the Act.

FIFTH CAUSE OF ACTION AGAINST DEFENDANT COLEMAN

(Violation of Order Issued under the Act)

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

35. Coleman failed to comply with the C&D Order.

36. By reason of the foregoing, Coleman violated an order issued under 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 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.

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 permanent injunction enjoining 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 or otherwise offering and/or selling securities in and/or from the state of Oklahoma;

II.

An order requiring Defendants to make restitution to any and all COMO Investors who purchased securities from Defendants or who transferred money to Defendants for the purpose of

purchasing the COMO Opportunities or otherwise making investments on their behalf;

III.

An order imposing a civil penalty against each Defendant in the amount of Ten Thousand Dollars (\$10,000.00); and

IV.

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
Irving L. Faught, Administrator

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