

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Jason Wheat Beard,

Respondent.

ODS File No. 14-006

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) ss.

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities ("Administrator").
2. That a copy of the *Order to Cease and Desist and Notice of Opportunity for Hearing*, ("Order and Notice") was delivered to Affiant in the office of the Administrator on the 11th day of March, 2014, pursuant to Section 1-611 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011).
3. That the Administrator has received service of process on behalf of Respondents, pursuant to Section 1-611 of the Act.
4. That a copy of the Order and Notice and a copy of this *Notice of Service on the Administrator and Affidavit of Compliance* are being sent this 31st day of March, 2014, by certified mail, return receipt requested, delivery restricted to the addressee, to the last known address of Respondent, in compliance with Section 1-611 of the Act.
5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 31st day of March, 2014.

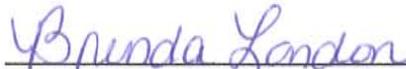
(SEAL)



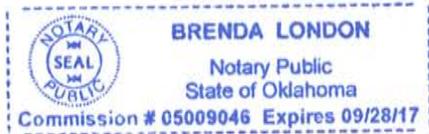
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

Subscribed and sworn to before me this 31st day of March, 2014.

(SEAL)



BRENDA LONDON, NOTARY PUBLIC



STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Jason Wheat Beard,

Respondent.

ODS File No. 14-006

ORDER TO CEASE AND DESIST
AND
NOTICE OF OPPORTUNITY FOR HEARING

ORDER TO CEASE AND DESIST

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Oklahoma Department of Securities (Department) conducted an investigation into the activities of Jason Wheat Beard (Respondent). Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are adopted in support of this Order against Respondent.

Findings of Fact

1. Respondent is an individual who resides in Oklahoma. Respondent has never been registered in any capacity under the Act.
2. In October, 2011, Respondent offered and sold a promissory note (Note) to an Oklahoma resident (Investor) for the sum of Thirty-Five Thousand Dollars (\$35,000). Respondent represented that the proceeds of the Note would be used to purchase an interest in an automobile auction business.
3. Respondent promised to pay to Investor a return of the principal invested plus an amount equal to five percent (5%) of the average net monthly profit of the automobile auction business. Respondent represented that he would make monthly payments on the Note that would gradually increase in amount over the term of the Note.
4. Respondent represented that if the automobile auction business failed, he would continue to make monthly payments to Investor, including principal and interest of six percent (6%), with funds from his other businesses.

5. Respondent represented that Investor's Note would be guaranteed by credit life insurance or a life insurance policy.

6. The Note offered and sold to Investor, has not been registered under the Act.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authorities

1. Section 1-102 of the Act provides in pertinent part:

2. "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. A partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act;

* * *

32. "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security," or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

* * *

d. includes as an "investment contract" an investment in a common enterprise with the expectation of profits

to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investor[.]

2. Section 1-301 of the Act provides:

It is unlawful for a person to offer or sell a security in this state unless:

1. The security is a federal covered security;
2. The security, transaction, or offer is exempted from registration under Sections 6 through 8 of this act [Sections 1-201 through 1-203 of this title]; or
3. The security is registered under this act.

3. Section 1-402 of the Act provides in pertinent part:

A. It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection B of this section.

4. Section 1-501 of the Act provides:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

1. To employ a device, scheme, or artifice to defraud;
2. To 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 the light of the circumstances under which it is made, not misleading; or
3. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

5. Section 1-503 of the Act provides in pertinent part:

A. In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusion.

6. Section 1-604 of the Act provides in pertinent part:

A. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice, the Administrator may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act[.]

* * *

B. An order under subsection A of this section is effective on the date of issuance. Upon issuance of the order, the Administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the Administrator will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen (15) days after receipt of a request in a record from the person, the matter will be scheduled for a hearing and the hearing shall be commenced within fifteen (15) days of the matter being set for hearing. If a person subject to the order does not request a hearing and none is ordered by the Administrator, within thirty (30) days after the date of service of the order, the order, that may include a civil penalty or costs of the investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the Administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

C. If a hearing is requested or ordered pursuant to subsection B of this section, a hearing must be held pursuant to the Administrative Procedures Act. A final order may not be issued unless the Administrator makes findings of fact and conclusions of law in a record in accordance with the Administrative Procedures Act. The final order may make final, vacate, or modify the order issued under subsection A of this section.

D. In a final order under subsection C of this section, the Administrator may impose 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 multiple violations in a single proceeding or a series of related proceedings.

E. In a final order, the Administrator may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act.

Conclusions of Law

1. The Note offered to Investor is a security as defined by Section 1-102(32) of the Act.
2. Respondent offered and sold an unregistered security in Oklahoma in violation of Section 1-301 of the Act.
3. In connection with the offer to sell a security, Respondent, directly or indirectly, made untrue statements of material fact including, but not limited to, the following:
 - a. that there was no risk that Investor would lose the money invested.
4. In connection with the offer to sell a security, Respondent, directly or indirectly, omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
 - a. that Respondent was not registered in any capacity under the Act, under any other state's securities laws, or under federal securities laws; and
 - b. that Respondent had been the subject of civil foreclosure actions.

5. Respondent transacted business in this state as an unregistered agent in violation of Section 1-402 of the Act.

6. The Administrator has the authority to order Respondent to cease and desist from engaging in acts, practices, or a course of business constituting a violation of the Act.

7. It is in the public interest to order Respondent to cease and desist from engaging in an act, practice, or a course of business constituting a violation of the Act.

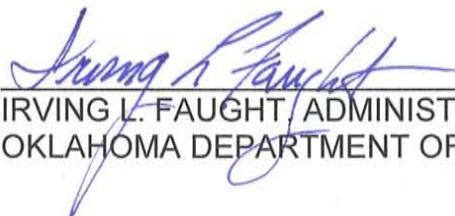
To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

Order

Based on Section 1-604 of the Act and the Findings of Fact, Authorities, and Conclusions of Law set forth above, IT IS HEREBY ORDERED that Respondent immediately cease and desist offering and selling unregistered securities, making untrue statements and omissions of material fact in connection with the offer and sale of securities, and transacting business as an agent and/or investment adviser representative, in and/or from this state.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 31st of March, 2014.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondent of his right to request a hearing. The request for hearing must be received by the Administrator within thirty (30) days after service of the Order to Cease and Desist (Order). The request for hearing must be in writing and Respondent shall specifically admit or deny each allegation that is contained in the Order.

Within fifteen (15) days after receipt of a request for hearing from Respondent, this matter will be scheduled for hearing. The hearing shall commence within fifteen (15) days of the matter being set for hearing. Notice of the date, time and location of the hearing shall be given to Respondent. If a hearing is requested, the Administrator, after notice of and opportunity for hearing, may modify or vacate the Order or extend it until final determination.

If a Respondent does not request a hearing within thirty (30) days after the date of service of the Order and none is ordered by the Administrator, the Order becomes final by operation of law as to Respondent.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 31st day of March, 2014.

(SEAL)



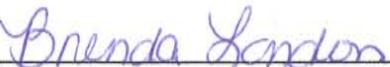
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 31st day of March, 2014, a true and correct copy of the above and foregoing *Order to Cease and Desist and Notice of Opportunity for Hearing* was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Jason Wheat Beard
8421 E 61st St Ste V
Tulsa OK 74133

Jason Wheat Beard
3713 E 28th St
Tulsa OK 74114



Brenda London, Paralegal

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7000 0520 0022 7150 3813

CDNOH RAL 14-006

Postage	\$		3-31-14	Postmark Here
Certified Fee		330		
Return Receipt Fee (Endorsement Required)		270		
Restricted Delivery Fee (Endorsement Required)		505		
Total Postage & Fees	\$			

Jason Wheat Beard
 8421 E 61st St Ste V
 Tulsa OK 74133

(by mailer)

for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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CDNOH 14-006 PAL

Postage	\$		3-31-14	Postmark Here
Certified Fee		330		
Return Receipt Fee (Endorsement Required)		270		
Restricted Delivery Fee (Endorsement Required)		505		
Total Postage & Fees	\$			

Jason Wheat Beard
 3713 E 28th St
 Tulsa OK 74114

(by mailer)

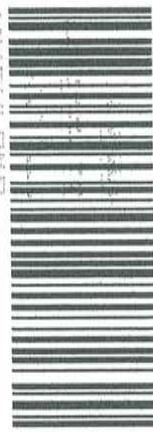
for Instructions

OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

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OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

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