

FURTHER AFFIANT SAYETH NOT.

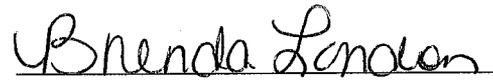
Dated this 9th day of June, 2005.

(SEAL)



Irving L. Faught, Administrator

Subscribed and sworn to before me this 9th day of June, 2005.



Notary Public

My Commission Expires: August 26, 2005
My Commission No.: 01013792
SEAL

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



In the Matter of:

FR&J Investments Group Corp.
and Frederick D. Hammond, Jr.,

Respondents.

ODS File No. 03-022

NOTICE OF OPPORTUNITY FOR HEARING

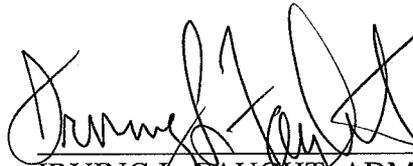
1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act, Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), and Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of FR&J Investments Group Corp. and Frederick D. Hammond, Jr., in connection with the offer and/or sale of securities in the state of Oklahoma.
2. On the 9th day of June, 2005, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.
3. Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing to show why an order based on the Recommendation should not be issued.
4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Pursuant to Section 1-604 of the Act, failure to request a hearing as provided for herein shall result in the issuance of an order directing Respondents to cease and desist the offer and sale of unregistered securities in and/or from the state of Oklahoma; transacting business in this state as an agent without the benefit of registration; employing an unregistered agent; making untrue statements of material fact in connection with the offer and/or sale of securities in the state of Oklahoma; or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and/or sale of securities in the state of Oklahoma, and to pay civil penalties in the sum of Fourteen Thousand Dollars (\$14,000).
5. The request for hearing shall be in writing and Respondents shall specifically admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within ninety (90) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Respondents not less than forty-five (45) days in advance thereof pursuant to 660:2-9-2(c) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 9th day of June, 2005.

(SEAL)



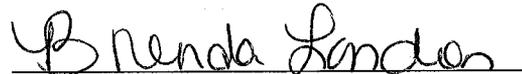
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 9th day of June, 2005, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Enforcement Division Recommendation was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

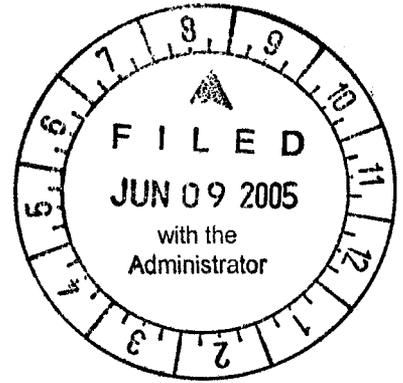
Frederick D. Hammond Jr.
12810 Primrose Lane, Apt. 414
Eden Prairie, MN 55344

Frederick D. Hammond Jr.
FR&J Investments Group Corp.
4894 W. Lone Mountain Road, Suite 178
Las Vegas, NV 89130



Brenda London
Paralegal

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



In the Matter of:

FR&J Investments Group Corp.
and Frederick D. Hammond, Jr.,

Respondents.

ODS File No. 03-022

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to Section 405 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), as made applicable to this matter by Section 1-701 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), an investigation was conducted by the Oklahoma Department of Securities (Department) into the activities of FR&J Investments Group Corp. (FR&J) and Frederick D. Hammond, Jr. (Hammond) (collectively, the "Respondents"), in connection with the offer and/or sale of securities in the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of a cease and desist order.

Findings of Fact

1. At all times material hereto, FR&J, a corporation formed in 1998 under the laws of the State of Nevada, operated from Las Vegas, Nevada.
2. At all times material hereto, Hammond was president of FR&J.
3. At all times material hereto, neither FR&J nor Hammond was registered in any capacity under the Predecessor Act.

FR&J Participations

4. In December 2001, Hammond offered and sold to Investors A and B, both Oklahoma residents, the opportunity to participate as an investor in an "overseas project" (Project). Hammond represented that an investment in the Project would produce a 5 to 1 return without any effort on the part of Investors A and B. Investors A and B collectively invested \$600 in the Project, as evidenced by a "Promissory Letter" (Letter) signed by Hammond in his

capacity as "President/Servant/Steward" of FR&J. The Letter stated that Investors A and B were to receive \$3,000, consisting of principal plus interest, within three days of the receipt of "the wired contract funds" in Respondents' bank account.

5. In April 2002, Hammond offered and sold to Investors C, D, and E, all Oklahoma residents, a similar opportunity to participate in the Project. Hammond represented the Project to Investors C, D, and E as a short-term (approximately seven days) investment. On April 23, 2002, based on Respondents' representations, Investors C, D, and E collectively invested \$3,000 expecting to be paid \$30,000, consisting of principal and interest, by April 30, 2002. On April 25, 2002, Investors C, D, and E collectively invested an additional \$3,000 expecting to be paid an additional \$30,000 by April 30, 2002. On May 2, 2002, Investors C and D invested another \$2,500 expecting to be paid \$37,500 by May 6, 2002. These transactions and representations are evidenced by Letters signed by Hammond in his capacity as "President/Servant/Steward" of FR&J.

6. To date, the Oklahoma investors have not received any return of principal or interest.

7. Participations in the Project were not registered pursuant to Section 301 of the Predecessor Act and no claim of an exemption from the registration provisions of the Predecessor Act was filed with the Administrator.

8. Respondents, directly and indirectly, made untrue statements of material fact in connection with the offer, sale and purchase of participations in the Project including, but not limited to, the following:

- a. the participations in the Project were short term investments;
- b. the investments would produce a 5 to 1 return;
- c. Investors C, D, and E would receive a return of \$30,000 on each of the \$3,000 investments; and
- d. Investors C and D would receive a return of \$37,500 on their \$2,500 investment.

9. Respondents 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 to investors in connection with the offer, sale and purchase of the participations in the Project including, but not limited to, the following:

- a. the participations in the Project are securities;
- b. the participations in the Project were not registered as securities under the Predecessor Act nor were they exempt from registration;

- c. that there was substantial risk to the investors' principal;
- d. that the investors might never receive a return on the participations in the Project; and
- e. that Hammond was not registered as an issuer agent under the Predecessor Act.

FR&J Common Stock

10. In June 2002, Respondents offered the common stock of FR&J to at least twenty Oklahoma residents. The stock was offered in minimum blocks of twenty-five shares at \$20 per share, totaling \$500 per block. At least two Oklahoma residents collectively purchased a total of 225 shares for \$4,500.

11. The common stock of FR&J was not registered pursuant to Section 301 of the Predecessor Act and no claim of an exemption from the registration provisions of the Predecessor Act was filed with the Administrator.

12. Respondents 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 to investors in connection with the offer, sale and purchase of shares of FR&J's common stock, including, but not limited to, the following:

- a. that the shares of common stock are securities;
- b. that the shares were not registered as securities under the Predecessor Act nor were they exempt from registration; and
- c. that Hammond was not registered as an issuer agent under the Predecessor 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 1-701(A) of the Act provides:

The predecessor act exclusively governs all actions or proceedings that are pending on the effective date of this act or may be instituted on the basis of conduct occurring before the effective date of this act, but a civil action may not be maintained to enforce any liability under the predecessor act unless instituted within any period of limitation that applied when the cause of action accrued or within five (5) years after the effective date of this act, whichever is earlier.

2. Section 2 of the Predecessor Act provides in pertinent part:

(v) "Security" means any:

* * *

(1) note;

(2) stock;

* * *

(7) certificate of interest or participation in any profit-sharing agreement;

* * *

(11) investment contract[.]

3. Section 101 of the Predecessor Act provides:

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

(1) to employ any device, scheme, or artifice to defraud,

(2) to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading,

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

4. Section 201 of the Predecessor Act provides:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration[.]

* * *

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered or is exempt from registration. The registration of an agent is not effective during any period when the agent

is not associated with a particular broker-dealer registered under this act or a particular issuer. When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities which make the person an agent, the agent as well as the broker-dealer or issuer shall promptly notify the Administrator.

5. Section 301 of the Predecessor Act provides:

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

- (1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or
- (2) it is a federal covered security.

6. Section 405 of the Predecessor Act provides in part:

(a) The Administrator in his discretion:

- (1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder[.]

7. Section 406 of the Predecessor Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

- (1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof;

* * *

(5) issue an order against a person who willfully violates the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act, imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for multiple violations or transactions in a single proceeding or a series of related proceedings.

Conclusions of Law

1. Participations in the Project are securities as defined by subsection (v) of Section 2 of the Predecessor Act.

2. Respondents offered and sold unregistered securities in the state of Oklahoma, in violation of Section 301 of the Predecessor Act.

3. Hammond transacted business in this state as an agent without the benefit of registration under the Predecessor Act, in violation of subsection (a)(1) of Section 201 of the Predecessor Act.

4. FR&J employed an unregistered agent, in violation of subsection (b) of Section 201 of the Predecessor Act.

5. Respondents made untrue statements of material fact, in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Predecessor Act.

6. Respondents 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, in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Predecessor Act.

7. The Administrator has the authority to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Predecessor Act and/or the Act.

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

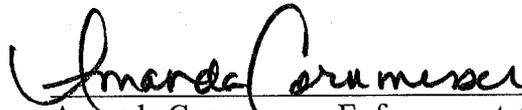
To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

WHEREFORE, it is recommended that the Administrator issue an order directing Respondents to cease and desist the offer and sale of unregistered securities in and/or from the

state of Oklahoma; transacting business in this state as an agent without the benefit of registration; employing an unregistered agent; making untrue statements of material fact in connection with the offer and/or sale of securities in the state of Oklahoma; or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and/or sale of securities in the state of Oklahoma, and to pay civil penalties in the sum of Fourteen Thousand Dollars (\$14,000).

Dated this 9th day of June, 2005.

Respectfully submitted,



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Terra Shamas, Legal Intern
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Oklahoma City, OK 73102
(405) 280-7700