

Group has been filed in the captioned matter, and a hearing on the motion is scheduled for 9:00 9 a.m., on the 13th day of August, 2004, before the undersigned District Court Judge at the Oklahoma County Courthouse, Ada, Oklahoma.

THIS ORDER IS ENTERED this 14th day of July, 2004.

DAVID M. HARBOUR

OKLAHOMA COUNTY DISTRICT COURT JUDGE

Rebecca Cryer, OBA #2065
Amanda Cornmesser, OBA #20044
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
Telephone (405) 280-7700

I.

Summary of Action

On March 30, 2004, Plaintiff filed a Petition for Permanent Injunction and other Equitable Relief ("Petition") against Defendants pursuant to Section 406.1 of the Oklahoma Securities Act ("Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003). In its Petition, Plaintiff alleged that Defendants offered and sold unregistered securities in violation of Section 301 of the Act, failed to register as agents and/or employed unregistered agents in violation of Section 201 of the Act, and perpetrated fraud in connection with the offer, sale or purchase of securities in violation of Section 101 of the Act.

On April 5, 2004, a copy of the Summons issued in this matter by the clerk of the Court, along with a copy of the Petition, were personally served by a process server on Defendants Certified Mid-America Financial Group Inc., Patricia G. Williams, and Patricia G. Williams and Kriss K. Williams *dba* Kriss K. Williams Jr. Agency and Certified Mid-America Financial Group. On May 28, 2004, a copy of the Alias Summons issued in this matter by the clerk of the Court, along with a copy of the Petition, were personally served by the Deschutes County Sheriff in Bend, Oregon, on Defendant Kriss K. Williams Jr.

To date, Defendants have failed to answer the Petition or otherwise plead.

II.

Default Judgment is Appropriate

Plaintiff submits that service of the summons and the Petition upon Defendants has been effected pursuant to Okla. Stat. tit. 12, § 2004 (2001 and Supp. 2003). Having received proper service, Defendants are required by Okla. Stat. tit. 12, § 2012(A) (2001 and Supp. 2003) to serve their answer within twenty (20) days after service of the summons and Petition upon them. Defendants Certified Mid-America Financial Group Inc. and Kriss K. Williams and Patricia G. Williams *dba* Kriss K. Williams Jr. Agency and Certified Mid- America Financial Group had until April 25, 2004, to serve their answers but failed to do so. Defendant Kriss K. Williams had until June 17, 2004, to serve his answer but failed to do so.

Plaintiff further submits that as a result of Defendants' failures to answer, the allegations in Plaintiff's Petition are deemed admitted. Okla. Stat. tit. 12, § 2008(D) (2001), pertaining to the general rules of pleadings, states: "Averments in a pleading to which a responsive pleading is required, other than those as to the amount of damage, are admitted when not denied in the responsive pleading." Plaintiff's Petition alleges that Defendants violated Sections 101, 201, and 301 of the Act. Defendants have not answered the allegations in Plaintiff's Petition. As provided by Okla. Stat. tit. 12, § 2008(D) (2001), such averments must be deemed admitted by Defendants.

Plaintiff therefore respectfully requests that judgment be entered in its favor as requested in the Petition.

III.

Plaintiff's Requested Relief is Appropriate

Section 406.1 of the Act provides in part:

(a) **Upon a showing by the Administrator that a person has violated or is about to violate 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 that a person has engaged or is about to engage in dishonest or unethical practices in the securities business, the Administrator, prior to, concurrently with, or subsequent to an administrative proceeding, may bring an action in the district court of Oklahoma County or the district court of any other county where service can be obtained on one or more of the defendants and **the district court may grant or impose one or more of the following appropriate legal or equitable remedies:**

(1) Upon a showing of a violation of the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act or conduct involving dishonest or unethical practices in the securities business:

(i) a temporary restraining order, **permanent or temporary prohibitory or mandatory injunction**, or a writ of prohibition or mandamus;

(ii) a **civil penalty** up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or of Fifty Thousand Dollars (\$50,000.00) for multiple violations in a single proceeding or a series of related proceedings;

(iii) a declaratory judgment;

(iv) **restitution to investors;**

(v) the appointment of a receiver or conservator for the defendant or the defendant's assets; and

(vi) **other relief the court deems just**
(emphasis added).

In its Petition, Plaintiff requested that the Court:

1. permanently enjoin Defendants from offering and selling any security in this state;
2. order Defendant Kriss K. Williams Jr. to make restitution to the investor who purchased securities from Defendants or who transferred money to Defendants for the purpose of making securities investments on their behalf;
3. impose a civil penalty against Defendant Kriss K. Williams, Jr. in the amount of Fifty Thousand Dollars (\$50,000); and
4. order such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

The allegations in the Petition having been admitted, Plaintiff has established a sufficient basis for the relief requested. The power to enforce implies the power to make effective the right of recovery afforded by the Act. *See Deckert v. Independence Shares Corp.*, 311 U.S. 282 (1940). Justice is only served in this case if all appropriate relief is granted against the Defendants.

First, Plaintiff seeks a permanent injunction against Defendants. Once the Plaintiff has shown the Defendants' past conduct is in violation of the Act, the proper test for the issuance of a statutory injunction is whether there is a

reasonable expectation of future violations by Defendants. *S.E.C. v. Manor Nursing Centers, Inc.*, 458 F.2d 1082 (2d Cir. 1975); *S.E.C. v. Culpepper*, 270 F.2d 241, 249 (2d Cir. 1959). In considering this issue, past illegal conduct is strong support for the likelihood of future violations. *Oklahoma Securities Commission v. CFR International, Inc.*, 1980 OK CIV APP 60, ¶13, 622 P.2d 293, 295 (Okla. Ct. App. 1980). As described above and in the Petition, Defendants have violated the Act, creating a presumption of a likelihood of future violations.

Second, Plaintiff seeks restitution from Defendant Kriss K. Williams Jr. in the sum of One Hundred Three Thousand Four Hundred Forty-Two Dollars (\$103,442.00) to the estate of Mildred Hoffman (Investor). This sum is the amount of money Defendants received from Investor.

Third, Plaintiff seeks a civil penalty against Defendant Kriss K. Williams Jr. in the sum of Fifty Thousand Dollars (\$50,000.00). This is the maximum civil penalty that can be imposed under the Act and is warranted due to the serious nature of the violations of the Act by Defendant Kriss K. Williams. The serious nature of the violations is evidenced by the amount of money received from Investor and the methods of operation of Defendant Kriss K. Williams Jr.

IV.

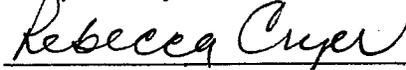
Conclusion

Plaintiff has obtained proper service on Defendants. The allegations in the Petition being admitted, Plaintiff respectfully requests that the Court enter judgment in its favor by:

1. permanently enjoining Defendants from offering and selling any security in this state;

2. ordering Defendant Kriss K. Williams Jr. to make restitution to the estate of Mildred Hoffman;
3. imposing a civil penalty against Defendant Kriss K. Williams Jr. in the amount of Fifty Thousand Dollars (\$50,000); and
4. ordering such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,



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Telephone (405) 280-7700

CERTIFICATE OF MAILING

The undersigned certifies that on the 14 day of July, 2004, a true and correct copy of the foregoing was mailed via First Class Mail, postage prepaid, to the following:

Kriss K. Williams and Patricia G. Williams *dba* Kriss K. Williams Jr. Agency
and Certified Mid-America Financial Group
23005 North 7 Mile Road
Fort Gibson, OK 74434

Patricia G. Williams, Secretary/Treasurer
Certified Mid-America Financial Group, Inc.
23005 North 7 Mile Road
Fort Gibson, OK 74434

Kriss K. Williams, Jr.
63333 Hwy 20 W
Bend, OR 97701

Brenda Lunden Smith
Paralegal