

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities
ex rel. Irving L. Faught, Administrator, ^{FILED} IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

Plaintiff,

SEP 26 2001

v.

PATRICIA PRESLEY, COURT CLERK Case No. CJ-2000-860
by

Deputy

Pinnacle Capital Fund,
an unincorporated association,
and Leslie A. Bacon, an individual,

Defendants.)

ORDER OF PERMANENT INJUNCTION

This matter comes on for hearing on this 26 day of Sept, 2001,

before the undersigned Judge of the District Court in and for Oklahoma County, State of Oklahoma, upon the motion of Plaintiff, the Oklahoma Department of Securities (ODS), for an order of permanent injunction. Plaintiff appears by and through its attorneys, Patricia M. Labarthe and Shaun M. Mullins; Defendants Pinnacle Capital Fund and Leslie A. Bacon appear by and through their attorney, Warren Bickford. The Court, having reviewed all of the evidence offered and the Court file, and being advised that the parties agree to the entry of this Order, finds as follows:

On February 4, 2000, ODS filed a Petition For Permanent Injunction and Other Equitable Relief pursuant to the Oklahoma Securities Act (the "Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 and Supp. 2000). The Court issued a temporary restraining order against Pinnacle Capital Fund and Leslie A. Bacon.

Defendants Pinnacle Capital Fund and Leslie A. Bacon have executed a Stipulation and Consent to Undertaking (Stipulation and Consent), attached hereto as

Exhibit "A" and made a part hereof. The ODS has no objection to the terms of the Stipulation and Consent and agrees to the entry of this Order. affect only those activities subject to the jurisdiction of the Act and is not intended to apply to the offer and/or sale of any insurance product.

Therefore, based on the evidence reviewed and the execution of the Stipulation and Consent, the Court finds that the following order should be entered.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that a permanent injunction be and is hereby entered, forever enjoining and restraining Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them from, directly or indirectly:

1. issuing, offering and/or selling any security in and/or from the state of Oklahoma including, but not limited to, any loan agreement, evidence of indebtedness, or investment contract unless and until such security is registered under the Act; and
2. transacting business in and/or from the state of Oklahoma as a broker-dealer or agent unless and until such Defendants are registered as a broker-dealer or agent under the Act.

IT IS FURTHER ORDERED that Defendant Leslie A. Bacon will not directly or indirectly serve as an officer, director, or control person for any individual, corporation, limited liability company, trust, partnership, incorporated or unincorporated association or any other entity that offers and/or sells a security in and/or from the state of Oklahoma. This paragraph is not intended to prohibit any other employment if conducted in compliance with Oklahoma law.

IT IS FURTHER ORDERED that a permanent injunction be and is hereby entered, forever enjoining and restraining Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them from, directly or indirectly, misrepresenting material facts or omitting to state material facts necessary to make statements made, in light of the circumstances under which they are made, not misleading, in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

IT IS FURTHER ORDERED that the First State Bank of Altus, Altus, Oklahoma, immediately release Six Thousand Dollars (\$6,000.00) from Account Number 77 9992 by issuing a cashier's check payable to Joseph and Leslie Bacon and mailed to Joseph and Leslie Bacon c/o Warren Bickford, Fellers Snider Blankenship Bailey & Tippens, 100 North Broadway, Suite 1700, Oklahoma City, Oklahoma 73102.

IT IS FURTHER ORDERED that Defendants forfeit the remaining balance in Account Number 77 9992 at the First State Bank of Altus, Altus, Oklahoma, as a civil penalty to the ODS. Such forfeiture shall be made through the release of funds in Account Number 77 9992 at the First State Bank of Altus, Altus, Oklahoma, by said bank directly to the ODS. Upon payment to the ODS of the civil penalty, Account Number 77 9992 shall be closed by the First State Bank of Altus, Altus, Oklahoma.

IT IS FURTHER ORDERED that this Court will retain jurisdiction of this matter for the purpose of enforcement of this Order and the Stipulation and Consent.

IT IS SO ORDERED.

Dated this 24 day of Sept, 2001.

KARL GRAY

JUDGE OF THE DISTRICT COURT

Approved as to form:

Oklahoma Department of Securities
Irving L. Faught, Administrator

Patricia A. Labarthe
Patricia A. Labarthe, OBA #10391
Shaun M. Mullins, OBA #16869
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700
Attorneys for Plaintiff

Warren F. Bickford
Warren Bickford, OBA #773
Fellers Snider Blankenship Bailey & Tippens
100 North Broadway, Suite 1700
Oklahoma City, Oklahoma 73102
(405) 232-0621
Attorney for Defendants

I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this _____ day of _____, 2001.

By Patricia Presley
PATRICIA PRESLEY, Court Clerk
Deputy