

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

AUG - 8 2007

Oklahoma Department of Securities)
ex rel Irving L. Faught, Administrator,)
)
)
 Plaintiff,)
)

PATRICIA PRESLEY, COURT CLERK
~~By _____~~
Deputy

v.)

Case No. CJ-2004-6295

Trade Partners, Inc., a Michigan corporation,)
et al,)
)
)
 Defendants.)
)

Consolidated With:

Oklahoma Department of Securities)
ex rel Irving L. Faught, Administrator,)
)
)
 Plaintiff,)
)

v.)

Case No. CJ-2007-2415

Clyde Edward Elkins, et al.,)
)
)
 Defendants,)
)

v.)

Big Boys Investments, L.L.C.)
)
)
 Relief Defendant.)

SUMMARY OF FACTS UPON PLEA OF GUILTY
TO INDIRECT CONTEMPT

- 1. Is the name just read to you your true name? Yes EE No ___
- 2. Is your age 57 years; and is your date of birth 11-4-49 ? Yes EE No ___
- 3. Is Donald Easter your attorney? Yes EE No ___
- 4. Are you taking any kind of medication? Yes ___ No EE
 - a. If yes, what kind and when did you take it?

 - b. If yes, does this medication affect your judgment now? Yes ___ No ___

5. Have you been prescribed any medication that you should be taking but that you are not taking? Yes ___ No EE

a. If yes, what kind and when should you have taken it?

b. If yes, does not taking the medication affect your judgment now? Yes ___ No ___

6. Have you ever been seen by a doctor or confined in a hospital for mental illness? Yes ___ No EE

If yes, explain: _____

7. Counselor, do you have any reason to believe that your client is not mentally competent to appreciate and understand the nature, purpose and consequences of this proceeding and to assist you in presenting any defense that may exist to any charge? Yes ___ No EE

8. Counselor, do you have any reason to believe that your client was not mentally competent to appreciate and understand the nature, purpose and consequences of his act at the time he committed it and out of which this allegation of indirect contempt arose? Yes ___ No EE

9. Do you understand that the Oklahoma Department of Securities alleges that you committed the act of sale of an unregistered security at a time when a temporary injunction forbidding the same had been entered in this case? Yes EE No ___

10. Have you been served with a copy of the Application for Citation of Indirect Contempt Against Eddie Elkins? Yes EE No ___

11. Do you understand that upon a finding by the Court that you did sell an unregistered security at a time when a temporary injunction forbidding such an act was in full force and effect against you and in wilfull violation of the temporary injunction, **you could be fined an amount not to exceed Five Hundred Dollars (\$500.00) and/or sentenced to a term not to exceed Six (6) Months in the Oklahoma County jail?** Yes EE No ___

12. Do you understand that upon a plea of guilty to indirect contempt you can be sentenced to a term of imprisonment and/or fined with the above total range of punishment? Yes EE No ___

13. Do you understand that you are entitled to a speedy jury trial on the charge of indirect contempt, to confront all witnesses who will testify against you at the trial, to remain silent, and to have your witnesses ordered to Court even at the expense of the State? Yes EE No 6
14. Do you understand that the law presumes you are not guilty of indirect contempt as alleged in the Application for Citation of Indirect Contempt Against Eddie Elkins? Yes EE No 6
15. Do you understand that your denial of the facts alleged in the Application for Indirect Contempt require the Plaintiff to prove each and every element of indirect contempt beyond a reasonable doubt to a jury, or to the Court if a jury is waived, and if Plaintiff was unable to do so you would be not be found guilty of indirect contempt? Yes EE No 6
16. Do you understand that you have a right to stand on your denial of the alleged facts stated in the Application for Citation of Indirect Contempt Against Eddie Elkins and in doing so keep these rights? Yes EE No 6
17. Do you understand that if you enter a plea of guilty you give up all these rights? Yes EE No 6
18. Have you talked over the allegations relating to your alleged act of indirect contempt and have you had your lawyer's advice in this matter? Yes EE No 6
19. Has he served you well? Yes EE No 6
20. You stand now on a plea of not guilty. Should you change your plea to guilty do you understand that there has been an agreement reached in this matter? Yes EE No 6

What is your understanding of the agreement?

A global settlement agreement involving this plea, disgorgement and a permanent injunction has been reached by the parties. The global agreement includes settlement of all controversies among the parties relating to two legal proceedings pending in District Court of Oklahoma County, Oklahoma, styled *Oklahoma Department of Securities ex rel. Irving L. Faught, Administrator v. Trade Partners, Inc., et al*; Case No. CJ-2004-6295, and *Oklahoma Department of Securities ex rel. Irving L. Faught, Administrator v. Clyde Edward Elkins, et al.*, Case No. CJ-2007-2415 ("Securities Enforcement Actions") whether currently known or unknown. As part of the global agreement, I am entering a plea of guilty to indirect contempt involving one sale of an unregistered security in willful violation of the temporary injunction entered in this matter in August of 2004. I agree to enter this plea of guilty but all parties agree that sentencing shall be deferred for five (5) years during which time I shall abide by the following conditions:

1. I shall not offer or sell any security as defined by the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), during the term of the deferred sentence.

2. I shall submit to the Oklahoma Department of Securities an affidavit, signed under penalty of perjury, on or before June 1 of each year during this sentence, stating:

I have not directly, indirectly or through any third party, offered or sold any security, as defined by the Oklahoma Uniform Securities Act of 2004, Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003)(the "Act");

I have not recommended, or provided advice concerning or discussed any security, as defined by the Act, to or with any person;

I have not discussed in any way my personal investments with any person other than a registered securities professional;

I have not directly, indirectly or through any third party, acted as a broker-dealer, agent, investment adviser or investment adviser representative as those terms are defined by the Act;

I have not discussed with, recommended to or advised any person to consult, confer or transact any securities and/or investment related business with any person; and

I did not, directly or indirectly, receive any income from the offer or sale of any security as defined by the Act or for providing any investment related advice during the preceding calendar year.

3. I shall submit a copy of my state and federal income tax returns and any subsequent amendment thereto to the Administrator of the Oklahoma Department of Securities no later than June 1 of each year from June 2008 through 2012.

4. Contemporaneously with providing the tax returns, I shall provide to the Oklahoma Department of Securities a schedule of income that identifies the following:

- a. the amount of income received from tax preparation or bookkeeping services; and
- b. the sources and amounts of all other income of any nature directly or indirectly received.

5. I may continue to sell life insurance or other insurance products such as fixed annuity contracts so long as I maintain my license through the Oklahoma Department of Insurance and so long as such products are authorized by such license.

6. I shall obtain written confirmation from each client for whom I provide tax or bookkeeping services, that I have not discussed with, recommended to, offered or sold to them any type of investment product, and that I have not discussed with, recommended to or advised them to consult, confer or transact any securities or investment related business with any person.

7. Do you want to enter your plea now and be sentenced at a later date? Yes ll No 06
8. What is your plea to one act of indirect contempt? Guilty
9. Do you plead guilty because you wilfully committed one act of selling an unregistered security following the entry of a temporary injunction enjoining you from selling an unregistered security? Yes ll No 06
10. Do you plead guilty of your own free will and without any coercion or compulsion other than the settlement agreement heretofore referenced? Yes ll No 06

THE COURT FINDS:

- a. Defendant Eddie Elkins is mentally competent to understand the nature, purpose and consequences of this proceeding and was mentally competent to understand and appreciate his act of sale of an unregistered security following entry of the temporary injunction enjoining him from selling the same.
- b. The settlement agreement between the parties including this plea as a part thereof is fair and just and Plaintiff acknowledges the agreement by the signature of its representative hereon.
- c. Mr. Elkins plea was knowingly and voluntarily entered.

THE COURT ORDERS:

- A. The plea of guilty is accepted by the Court;
- B. The sentencing date is deferred to August 2nd 2012, at 9:00 a.m.;
- C. The terms and conditions of the deferred sentence are as follows:
 - 1. You shall not offer or sell any security as defined by the Act during the term of the deferred sentence.
 - 2. You shall submit to the Oklahoma Department of Securities an affidavit, signed under penalty of perjury, on or before June 1 of each year during this sentence, stating:

You have not directly, indirectly or through any third party, offered or sold any security, as defined by the Oklahoma Uniform Securities Act of 2004, Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003)(the "Act");

You have not recommended, or provided advice concerning or discussed any security, as defined by the Act, to or with any person;

You have not discussed in any way my personal investments with any person other than a registered securities professional;

You have not directly, indirectly or through any third party, acted as a broker-dealer, agent, investment adviser or investment adviser representative as those terms are defined by the Act;

You have not discussed with, recommended to or advised any person to consult, confer or transact any securities and/or investment related business with any person; and

You did not, directly or indirectly, receive any income from the offer or sale of any security as defined by the Act or for providing any investment related advice during the preceding calendar year.

3. You shall submit a copy of your state and federal income tax returns and any subsequent amendment thereto to the Administrator of the Oklahoma Department of Securities, no later than June 1 of each year from June 2008 through 2012.

4. Contemporaneously with providing the tax returns, you shall provide to the Oklahoma Department of Securities a schedule of income that identifies the following:

- a. the amount of income received from tax preparation or bookkeeping services; and
- b. the sources and amounts of all other income of any nature directly or indirectly received.

5. You may continue to sell life insurance or other insurance products such as fixed annuity contracts so long as you maintain your license through the Oklahoma Department of Insurance and so long as such products are authorized by such license.

6. You shall obtain written confirmation from each client for whom you provide tax or bookkeeping services, that you have not discussed with, recommended to, offered or sold to them any type of investment product, and that you have not discussed with, recommended to or advised them to consult, confer or transact any securities or investment related business with any person.

AFFIDAVIT OF EDDIE ELKINS

In the Fall of 2004

On the ___ day of _____, 200___, I committed the following act:

*I sold unrest. Security At the time A injection
WAS IN FORCE*

Have you fully understood the questions that have been asked?

EE
Yes No

Were your answers freely and voluntarily given?

EE
Yes No

NOTICE OF RIGHT TO APPEAL

To appeal from a conviction on a plea of guilty you must file a written Application with this Court within ten (10) days from today. You must set forth in detail the grounds for your withdrawal and request an evidentiary hearing in the trial court. The trial court must hold a hearing and rule upon your application within thirty (30) days from the date it is filed. If the trial court denies your Application you have ninety (90) days from the date of the denial to file a Petition for Writ of Certiorari to the Court of Criminal Appeals to appeal the trial court's decision. If you are indigent, these appeals can be prosecuted at public expense and you can have an attorney appointed to represent you.

Do you understand your right to appeal?

Yes X No

DONE IN OPEN COURT this 3rd day of August, 2007.

Edward Elkins
Edward ELKINS, Del.

Daniel L. Owens
HON. DANIEL OWENS, DISTRICT JUDGE

Patricia A. Labarthe
PATRICIA LABARTHE, OBA 10391
SHAUN MICHAEL MULLINS, OBA 16869
Oklahoma Department of Securities
120 N Robinson, Suite 860
Oklahoma City, OK 73103
Telephone: (405) 280-7700
Attorneys for Plaintiff

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 3 day of August, 2007.
By Patricia Presley PATRICIA PRESLEY, Court Clerk Deputy

Donald L. Easter
DONALD L EASTER, OBA 2597
P. O. Box 54806
Oklahoma City, OK 73154
Telephone: (405) 232-6946
Facsimile: (405) 232-6947
Co-counsel for Clyde Edward Elkins

Kirk D. Fredrickson
KIRK D. FREDRICKSON