

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA.

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

FEB - 2 2007

PATRICIA PRESLEY, COURT CLERK  
by \_\_\_\_\_  
DEPUTY

v. )  
 )  
Covenant Benefits Group, L.L.C., )  
J. Michael Nimmo and )  
Charles E. Bray, Jr., )  
 )  
Defendants. )

Case No. **CJ -2007-997**

**FINAL ORDER, JUDGMENT AND  
PERMANENT INJUNCTION**

This matter came on for hearing this 2<sup>nd</sup> day of February, 2007, before the undersigned Judge of the District Court in and for Oklahoma County, State of Oklahoma, upon Plaintiff's Petition for Permanent Injunction and Other Equitable Relief.

Defendants Covenant Benefits Group, L.L.C. (Covenant), J. Michael Nimmo (Nimmo) and Charles E. Bray, Jr. (Bray) (collectively "Defendants") appear through their attorney Robert E. Norman. The Oklahoma Department of Securities appears through its attorney Shaun M. Mullins. After a review of the pleadings and evidence, this Court finds:

1. Defendants have executed the Stipulation and Consent attached hereto as Exhibit "A" and made a part hereof.

A. The Business Opportunities

2. At all times material hereto, Defendants were engaged in the business of offering and selling memberships in a discount health services plan entitled the "Covenant Health Plan" in and/or from the state of Oklahoma.

3. At all times material hereto, Defendants offered and sold business opportunities in the nature of Independent Representative Agreements (Representative Agreements) and Executive Recruiter Agreements (Recruiter Agreements) that would enable purchasers of the business opportunities to sell the memberships in the Covenant Health Plan and receive commissions from the monthly premiums paid by each member enrolled by them.

4. The Representative Agreements and the Recruiter Agreements are business opportunities as defined by Section 802 of the Oklahoma Business Opportunity Sales Act, (Business Opportunity Act), Okla. Stat. tit. 71 §§ 801-829 (2001).

5. The business opportunities offered and sold by Defendants are not and have not been registered, or otherwise qualified for an exemption from registration pursuant to Section 803 of the Business Opportunity Act, in violation of Section 806 of the Business Opportunity Act.

6. Defendants are fully aware and advised of Plaintiff's allegations that Defendants, in connection with the offer and sale of the business opportunities, directly and indirectly, made untrue statements of material fact, and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were and are made, not misleading in violation of Section 819 of the Business Opportunity Act. Plaintiff has further made Defendants aware of certain testimonial and documentary evidence supporting these allegations. In light of Defendants' awareness from Plaintiff of the allegations and evidence

supporting them, the Defendants fully, freely, and without coercion or promises of any kind, agree to the Entry of the Final Order, Judgment, and Permanent Injunction as set out in this Decree.

B. The Securities Offering

7. At all times material hereto, Defendants offered and sold securities described as "Quarterly Evaluations of Unassigned Memberships" (the "Assignment Contracts") to investors.

8. The Assignment Contracts are securities as defined by Section 1-102 of the Oklahoma Uniform Securities Act of 2004 (Securities Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003),

9. The securities offered and sold by Defendants are not and have not been registered under the Securities Act and have not been offered or sold pursuant to an exemption from registration pursuant to Section 1-201 of the Securities Act, in violation of Section 1-301 of the Securities Act.

10. Defendants are fully aware and advised of Plaintiff's allegations that Defendants, in connection with the offer, sale, or purchase of the securities, directly and indirectly, made untrue statements of material fact, and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were and are made, not misleading, in violation of Section 1-501 of the Securities Act. Plaintiff has further made Defendants aware of certain testimonial and documentary evidence supporting these allegations. In light of Defendants' awareness from Plaintiff of the allegations and evidence supporting them, the Defendants fully, freely, and without coercion or promises of any kind, agree to the Entry of the Final Order, Judgment, and Permanent Injunction as set out in this Decree.

The Court finds that this order should be issued against Defendants and, therefore:

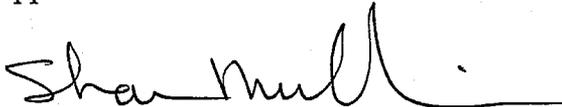
**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Covenant Benefits Group, L.L.C., J. Michael Nimmo and Charles E. Bray, Jr., their agents, employees, and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, be and hereby are, permanently enjoined from:

1. offering or selling any business opportunity, as defined in the Oklahoma Business Opportunity Sales Act, Okla. Stat. tit. 71 §§ 801-829, in and/or from this state, and
2. offering or selling any security, as defined in the Oklahoma Uniform Securities Act of 2004 (Securities Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701, in and/or from this state.

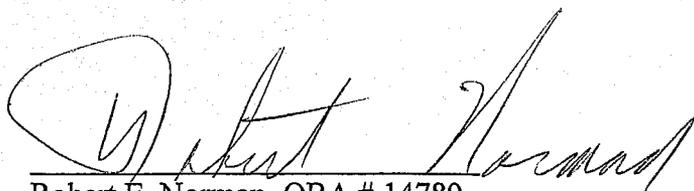
THIS ORDER IS ENTERED this 2<sup>nd</sup> day of February, 2007.

  
DISTRICT COURT JUDGE

Approved as to form and substance:



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