

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, )  
 )  
v. )  
 )  
Monarch Visual Solutions, Inc. and )  
Mark I. Ruttenberg, )  
 )  
Defendants. )

JUL - 7 2008

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

Case No.

**CJ - 2008 - 6116**

**PETITION FOR PERMANENT INJUNCTION**

**AND OTHER EQUITABLE RELIEF**

COMES NOW the Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, ("Department"), and for its claims against the above-named Defendants, alleges and states as follows:

**OVERVIEW**

1. This case involves violations of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), by Monarch Visual Solution, Inc. ("MVSI") and Mark I. Ruttenberg ("Ruttenberg") (collectively, "Defendants"). Specifically, the Department alleges Defendants have offered and sold unregistered securities in violation of Section 1-301 of the Act, employed unregistered agents in violation of Section 1-402 of the Act, and/or perpetrated fraud in connection with the offer, sale or purchase of securities in violation of Section 1-501 of the Act.

## **JURISDICTION**

2. The Administrator of the Department brings this action pursuant to Section 1-603 of the Act and is the proper party to bring this action against the Defendants.

3. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer, sale, and purchase of securities, are subject to the provisions of the Act. By virtue of their transaction of business by contract and otherwise and commission of other acts in this state, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

4. Defendants have engaged and are engaging in acts and practices in violation of the Act. Unless enjoined, they will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

## **DEFENDANTS**

5. MVSII is an Illinois corporation, with its principal place of business in Normal, Illinois. At all times material hereto, MVSII issued, offered and/or sold securities in and/or from Oklahoma as described herein.

6. Ruttenberg is an Illinois resident and controls all acts of MVSII.

## **NATURE OF THE CASE**

7. Beginning in or about April, 2006, Defendants engaged in the issuance, offer and/or sale of promissory notes (the "Notes") and/or what are described by Defendants as "lease revenue assignment contracts" (the "Contracts") in and/or from the state of Oklahoma to investors ("Investors").

8. Defendants, in connection with the offer and sale of the Notes and Contracts, are representing to Investors that MVSII leases to and installs LCD monitors in grocery stores. The

monitors, with supporting software supplied by MVSI, display advertising and other information on behalf of the grocery store to customers.

### **FIRST CAUSE OF ACTION**

#### **(Violation of Section 1-301 of the Act: Offer and/or Sale of Unregistered Securities)**

9. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 8 above.

10. The Notes and the Contracts are securities as defined by Section 1-102 of the Act.

11. The securities offered and sold by Defendants are not and have not been registered under the Act nor have the securities been offered or sold pursuant to an exemption from registration under Sections 1-201 through 1-203 of the Act.

12. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-301 of the Act.

### **SECOND CAUSE OF ACTION**

#### **(Violation of Section 1-402 of the Act: Failure to Register as Agents and Employing Unregistered Agents)**

13. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding cause of action.

14. MVSI is an issuer as defined in Section 1-102 of the Act.

15. MVSI employed at least one unregistered agent in Oklahoma.

16. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-402 of the Act.

### THIRD CAUSE OF ACTION

**(Violation of Section 1-501 of the Act:  
Omissions of Material Fact in Connection With Offer, Sale or  
Purchase of Securities)**

17. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

18. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, omitted and are omitting 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, including, but not limited to, the following matters:

- a. that sales commissions will be paid to agents;
- b. that the agents who offer and sell the Notes and Contracts are not and have not been registered under the Act;
- c. how the proceeds from the sale of the Notes and Contracts will be utilized;  
and
- d. any general or specific risk factors associated with the purchase of the Notes and Contracts.

19. By reason of the foregoing, Defendants, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

### FOURTH CAUSE OF ACTION

**(Violation of Section 1-501 of the Act:  
Engaging in any Act, Practice, or Course of Business Which Operates or  
Would Operate as a Fraud or Deceit upon any Person)**

20. The Department realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

21. Defendants, in connection with the offer, sale or purchase of securities, and through the use of the omissions of material fact described in paragraph 18 above, have engaged and are engaging in an act, practice, or course of business that has operated and continues to operate as a fraud or deceit upon other persons.

22. By reason of the foregoing, Defendants, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

### **PRAYER FOR RELIEF**

Defendants have engaged in acts and practices in violation of the Act and have, as a result of these activities, received a substantial amount of money from Investors. Unless enjoined, Defendants will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 1-603 of the Act, the Department prays for the court to grant the following relief:

#### **I.**

A permanent injunction, enjoining Defendants from offering and/or selling any security in this state including, but not limited to the Notes and the Contracts;

#### **II.**

An order requiring Defendants to make restitution to any and all Investors who purchased securities from Defendants or who transferred money to Defendants for the purpose of purchasing the Notes and/or Contracts or otherwise making investments on their behalf;

III.

An order requiring Defendants, their agents, servants, employees, assigns, and all persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, to disgorge all ill-gotten gains;

IV.

An order imposing a civil penalty against Defendants in the amount of Fifty Thousand Dollars (\$50,000.00) each; and

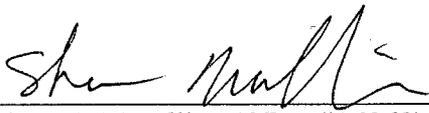
V.

Such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES  
Irving L. Faught, Administrator

By:

  
Shaun M. Mullins (OBA #16869)  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF OKLAHOMA )

Irving Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing Petition for Permanent Injunction and Other Equitable Relief and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information and belief.

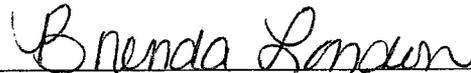
(SEAL)



Irving L. Faught, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

Subscribed and sworn to before me this 7th day of July, 2008.

(NOTARIAL SEAL)



Notary Public