



institutions in which the bank debenture investors' funds were deposited. The Department also alleged that Davis promised to pay to bank debenture investors a 15% commission for new investors introduced to Davis and that Davis received substantial sums of money from the bank debenture investors for the purported purchase of the bank debentures.

4. Davis has paid in excess of Two Hundred Thousand Dollars (\$200,000.00) in restitution to Oklahoma bank debenture investors since January, 2000.

5. Davis admits that the Oklahoma Securities Act ("Oklahoma Securities Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 and Supp. 2000), applies to the offer and sale of securities in and/or from the state of Oklahoma.

**Undertakings:**

Davis hereby undertakes as follows:

1. Davis consents to the entry of the order in the form attached as Exhibit "A" and made a part of this Stipulation of Defendant Jerry Thayne Davis ("Stipulation").

2. Davis states that this Stipulation is executed voluntarily and that no offer, promise, threat, or inducement of any kind or nature has been made by the Administrator or the staff of the Department to coerce agreement with this Stipulation.

3. Davis waives any right to appeal from the Order of Permanent Injunction.

4. Davis agrees that this Stipulation and all provisions herein shall be incorporated into the Order of Permanent Injunction.

5. Davis agrees that he will comply with all provisions of the Act and the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") including, but not limited to, compliance with Sections 101, 201,

and 301 of the Act in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

6. Davis agrees that he will not offer or sell a security in and/or from the state of Oklahoma unless and until such security is registered under the Act or qualifies for an exemption from the registration provisions of Section 401 of the Act.

7. Davis agrees that he will not transact business in and/or from the state of Oklahoma as a broker-dealer, agent, investment adviser and/or investment adviser representative unless and until Davis is registered under the Act.

8. Davis agrees that he will not misrepresent material facts or omit to state material facts necessary in order to make statements made, in light of the circumstances under which they are made, not misleading, in connection with the offer or sale of securities in and/or from the state of Oklahoma.

9. For a period of one year after the date of issuance of the Order of Permanent Injunction, Davis will notify the Director of the Department's Division of Enforcement of any intent to rely on an exemption from the registration provisions of the Act, in connection with the offer and/or sale of any security in and/or from the state of Oklahoma, at least thirty (30) days prior to the date of the first offer of any security. The notification shall include:

- a. the Oklahoma Securities Act citation of the securities registration exemption to be relied upon;
- b. a detailed description of the basis for reliance upon the exemption, including the manner of solicitation;
- c. the name(s) of all person(s) to be offering or selling the securities and a

detailed description of the basis for the person's compliance with Section 201 of the Act;

- d. a detailed description of the type of securities to be offered and/or sold pursuant to the exemption; and
- e. the amount of securities to be offered in reliance on the exemption.

10. For a period of one year after the date of issuance of the Order of Permanent Injunction, Davis will provide to the Department, upon its request, a copy of any and/or all offering documents or other materials intended to be used by, or on behalf of, Davis in connection with the offer or sale of securities within five business days following receipt of the request. Davis understands that the Department will advise him, in writing, within twenty (20) days of receipt of such materials, of any objection to such materials and the basis for such objection. Davis further understands that the absence of an objection from the Department will not be interpreted as an approval by the Department of the materials.

11. Davis agrees to pay restitution on or before December 31, 2001, to Johnnie D. and Peggie Chenault in the sum of One Hundred Thousand Dollars (\$100,000.00), unless extended by the agreement of Johnnie D. and Peggie Chenault.

12. Davis agrees to the presentation of this Stipulation and the Order of Permanent Injunction, executed by Davis, to the Court to be entered without further notice.

13. Davis consents to the Court's retention of jurisdiction of this matter for all purposes including enforcement of this Stipulation and the Order of Permanent Injunction.

**IN WITNESS WHEREOF**, Davis has executed this Stipulation as of the date and year set forth below his signature hereto.

JERRY THAYNE DAVIS

  
\_\_\_\_\_

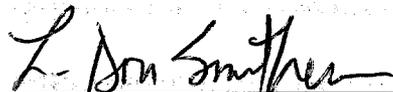
Date: 7-12-01

Address: 11308 N. Eagle Ln.  
OKla. City, OK.

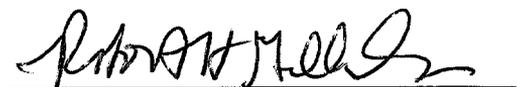
Approved as to form and substance:

  
\_\_\_\_\_

**Patricia A. Labarthe** OBA #10391  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700  
Attorney for Plaintiff

  
\_\_\_\_\_

**Peter B. Bradford**  
**L. Don Smitherman**  
Conner & Winters  
One Leadership Square  
211 North Robinson, Suite 1700  
Oklahoma City, Oklahoma 73102-7101  
(405) 272-5711  
Attorney for Defendant Jerry T. Davis

  
\_\_\_\_\_

**Robert H. Gilliland**  
McAfee & Taft  
Two Leadership Square, 10<sup>th</sup> Floor  
211 North Robinson  
Oklahoma City, Oklahoma 73102-7103  
(405) 235-9621  
Receiver