

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Lawton Loan and Investment Corporation
1101 C Avenue
Lawton, Oklahoma 73502

ODS File No. 02-022

ORDER

Lawton Loan and Investment Corporation ("LLIC") was an investment certificate issuer as defined by Section 307 of the Oklahoma Securities Act ("Securities Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), and is currently an investment certificate issuer as defined by Section 1-308 of the Oklahoma Uniform Securities Act of 2004 ("Uniform Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

Beginning April 21, 1961, and continuing to September 29, 1995, LLIC offered and sold time certificates and passbook savings accounts that were registered under the Securities Act. Beginning September 29, 1995, LLIC relied on an exemption from registration pursuant to Section 401(b)(12) of the Securities Act in connection with the offers and sales of its time certificates and passbook savings accounts.

In January, 2003, representatives of the Oklahoma Department of Securities ("Department") conducted a review of the books and records of LLIC that indicated compliance deficiencies relating to the maintenance of required net capital under Section 307 of the Securities Act.

In December, 2004, the Board of Directors of LLIC adopted a resolution, attached as Exhibit "A" hereto, approving and adopting a Liquidation Plan (the "Plan"), attached as Exhibit "B" hereto.

The Administrator has determined it to be in the public interest to allow LLIC to implement the Plan.

NOW THEREFORE, the Administrator hereby orders that:

LLIC may implement the Plan, as approved and adopted by the LLIC Board of Directors in the form attached as Exhibit "B" hereto;

LLIC report to the Department on a monthly basis regarding the activity of LLIC for the previous month no later than the 15th day of the month;

LLIC submit all items that require the approval of the Administrator of the Department under Section 1-308 of the Uniform Act;

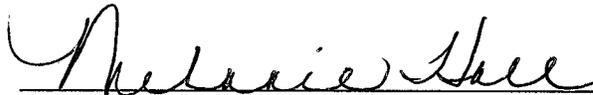
LLIC notify the Department at least thirty days before engaging in any material transactions, such as the sale of LLIC, LLIC Holdings, Inc., or any assets;

LLIC provide the following documents to each Investor prior to or upon the implementation of the Plan: unaudited financial statements for the fiscal year ended March 31, 2004; unaudited financial statements for the quarter of operation ended September 31, 2004; the Notice to Investors; the Reorganization Plan; and this Order; and

LLIC provide a copy of its fiscal year end financial statements, which may be unaudited, to each Investor on or before April 30 of each year, beginning with the financial statements dated March 31, 2005, until the principal amounts owed to all Investors are paid in full.

30th Witness my Hand and the Official Seal of the Oklahoma Department of Securities this day of December, 2004.

(SEAL)



MELANIE HALL, DEPUTY ADMINISTRATOR OF
THE OKLAHOMA DEPARTMENT OF SECURITIES



LAWTON LOAN & INVESTMENT CORPORATION
1101 CAVE PO BOX 2186
LAWTON, OK 73502
PHONE (580) 355-9345 FAX (580) 355-9347

CALL AND WAIVER OF
NOTICE OF SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
LAWTON LOAN & INVESTMENT CORPORATION

Waiver of Notice is hereby given of a Special Meeting of the Board of Directors of Lawton Loan & Investment Corporation, to be held at the principal place of business of the Corporation on the 10th day of December, 2004, at 10:00 o'clock a.m., in accordance with the By-Laws of the Corporation, for the purpose of approving certain special documentation regarding the affairs of the corporation, and transacting any and all other business which might properly come before said Board of Directors without further notice as to the time, place or purpose of said meeting.

Dated this 10th day of December, 2004.

Dennis Bly

Sherry Bly



LAWTON LOAN & INVESTMENT CORPORATION
1101 CAVE PO BOX 2186
LAWTON, OK 73502
PHONE (580) 355-9345 FAX (580) 355-9347

MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS OF
LAWTON LOAN & INVESTMENT CORPORATION

Pursuant to the written Notice of the Special Meeting of the Board of Directors of Lawton Loan & Investment Corporation, the Directors of said Corporation held the Special Meeting at the Corporation's principal place of business on the 10th day of December, 2004, at 10:00 o'clock a.m. with a quorum being present.

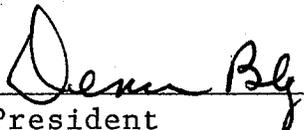
Whereupon, the President called the meeting to order. The order of business was to approve the following items: Plan of Reorganization, Notice to Depositors and Order from the Oklahoma Department of Securities.

After a full discussion on the above, upon motion made, seconded and unanimously approved, it was.

RESOLVED: That the following Plan of Reorganization, Notice to Depositors and Order from the Oklahoma Department of Securities are hereby approved.

There being no further business to come before the meeting, upon motion made, seconded and unanimously passed, the same was adjourned.

Dated this, the 10th day of December, 2004.



President

**LAWTON LOAN & INVESTMENT CORP.
LIQUIDATION PLAN**

The following describes the Liquidation Plan (the "Plan") for Lawton Loan & Investment Corp. ("LLIC"), an Oklahoma corporation based in Lawton, Oklahoma.

1. Purpose. The purpose of the Plan is to provide for the orderly liquidation of the securities issued by LLIC and held by Investors. Investors are herein defined as holders of LLIC time certificates and passbook savings accounts, as well as preferred stockholders of LLIC and a noteholder whose interest have been converted to an LLIC time certificate and/or a passbook savings account ("investors"). There are forty-six (46) investors subject to the provisions of this Plan. Investor liquidations will only be done in accordance with this Plan.

2. Background. Since 1994, LLIC has reduced the number of Investors from 600 to 46. The total dollar amount owed to Investors as of October 15, 2004 is \$3,090,026.77, including principal and accrued interest through October 15, 2004. The balance of principal only paid by Investors to LLIC is \$1,150,902.30.

3. Future Operation of LLIC. No new offer and/or sales of securities will be made. LLIC will borrow funds only from financial institutions to capitalize its continuing lending operations, if needed. LLIC will continue to manage its loan portfolio, real estate and other assets, in order to generate revenue to liquidate the principal amounts owed to Investors. The revenue generated will be deposited to a reserve account from which LLIC will first pay the overhead expenses incurred in the ordinary course of business of making short term consumer and installment loans. then, LLIC will make quarterly payments to Investors, on a pro rata basis, from the funds remaining in the reserve account after expenses, at the end of the quarter, until the principal amounts owed to Investors are paid in full. Any other use of the revenue will be prohibited. Payments to Investors will be made on or before the 15th day of the month following the end of each quarter. Because the revenue generated by LLIC will vary from month to month, the amounts of the distribution to investors will likely vary from quarter to quarter.

4. Termination of Accrued Interest and Suspension of Interest Payments. Effective October 15, 2004, LLIC will terminate the accrual of interest payable to Investors. Thereafter, all distributions to Investors will be applied only to the principal balance specified in Paragraph 2 above. LLIC projects that the savings to LLIC from the suspension of interest payments over the next twelve (12) months will be approximately \$170,000.00.

5. Disclosure. Prior to the implementation of this Plan, LLIC will distribute the following to each Investor, the unaudited financial statements for the fiscal year ended March 31, 2004, unaudited financial statements for the quarter ended September 31, 2004, the Notice to Investors, a copy of this Plan, and the order of the Administrator relating to the implementation of this Plan. LLIC will provide to each Investor a copy of the company's fiscal year end financial statements, which may be unaudited on or before April 30th of each year, beginning with the financial statements dated Marcy 31, 2005, until the principal amounts owed to all Investors are paid in full.

6. Reduction of Debt Owed to Investors. The principal method by which LLIC will repay its Investors is through the income generated from its loan portfolio. The LLIC value of the loan portfolio as of October 15, 2004 is \$1,526,509.00. The portfolio is comprised of \$195,677.00 in B loans and \$1,330,832.00 in installment loans.

A. B Loans. LLIC makes consumer loans under Section 3-508B of the Oklahoma Uniform Consumer Credit Code. The loans are substantially unsecured. The revenue projection from the B Loan portfolio is estimated to be \$163,800.00 for fiscal year 2005 based on the present principal loan amounts. This amount will be used to cover LLIC'S overhead expenses and for the liquidation described herein.

B. Installment Loans. LLIC makes installment loans collateralized by various typed of security, including first and second mortgages on real estate, personal property, and automobiles. Some are also made on an unsecured basis. The installment loans are projected to provide an additional source of revenue from fees, credit life insurance, and interest income. LLIC projects the installment loans will produce income in the amount of \$159,000.00 in fiscal year 2005. This income will be used to cover LLIC'S overhead expenses and for the liquidation of Investors described herein.

7. Real Property. LLIC owns unencumbered real property valued on its books at \$120,000. Two pieces of the property are rented at this time and generating income for LLIC. The third piece of property is for sale. LLIC intends to sell all three pieces of property to generate additional revenue for the liquidation. The revenue generated will be deposited to the reserve account described in Paragraph 3, to be used for the quarterly payments to Investors, on a pro rata basis, at the end of the quarter, until the principal amounts owed to Investors are paid in full. Any other use of the revenue will be prohibited.

8. Supervision. LLIC will continue to provide the Oklahoma Department of Securities ("Department") with monthly financial statements for the duration of this Plan. LLIC will also provide any supplemental information requested by the Department in regard to its progress on the implementation of this Plan.

9. Notice. LLIC will notify the Department at least thirty days before engaging in any material transactions, such as the sale of LLIC, LLIC Holdings, Inc., or a particular asset(s). The Department will have the authority to reject or condition the terms of the transaction in the best interest of the Investors.

10. Effective Date. This Plan will be effective January 1, 2005 and continue in effect until the principal amounts owed to all Investors are paid in full.

LAWTON LOAN AND INVESTMENT CORP.

BY Dennis Bly President
Title

DATE 12-10-04