

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



In the Matter of:

NSI Development Corporation and
Joe Loofbourrow,

Respondents.

ODS File No. 04-093

PERMANENT ORDER TO CEASE AND DESIST

The Oklahoma Department of Securities (Department) conducted an investigation into the activities of the named Respondents pursuant to Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003).

In order to resolve the issues raised in connection with the Department's investigation, Respondents voluntarily executed the Agreement that is attached hereto as Exhibit A and incorporated herein by reference and consented to the issuance of this Order.

IT IS HEREBY ORDERED THAT NSI Development Corporation and Joe Loofbourrow cease and desist from engaging in violations of Sections 201 and 301 of the Act and from doing any act in furtherance thereof.

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

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR
OF THE OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 1st day of July, 2004, a true and correct copy of the above and foregoing Agreement and Permanent Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

NSI Development Corporation
7804 N.W. 105th Terrace – Suite #1
Oklahoma City, OK 73162

Joe Loofbourrow
7804 N.W. 105th Terrace – Suite #1
Oklahoma City, OK 73162


Brenda London Smith
Brenda London Smith
Paralegal

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AGREEMENT

An investigation into the activities of Joe Loofbourrow (Loofbourrow) and NSI Development Corporation (NSI) (collectively, the "Respondents") was conducted by the Oklahoma Department of Securities (Department), pursuant to Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), concerning possible violations of Sections 201 and 301 of the Act.

The Department's investigation revealed that during 2002 and 2003, Respondents offered promissory notes to Oklahoma investors through a web site maintained by Loofbourrow at *www.nsidcorp.com*. Potential investors were advised to send a check or money order to NSI at 7804 N.W. 105th Terrace, Oklahoma City, Oklahoma. Respondents made the following representations on the NSI website:

- a. "NSI is bringing together \$2 million for the purpose of expanding our promotion nationwide by issuing promissory notes to the investing community for real estate assets. We are also raising \$1 million for general promissory notes. This interesting investment project is paying well above bank certificate of deposit rates."
- b. "We offer these 9 month promissory notes:
Real estate promissory notes-9% annual return
General (unsecured) promissory notes-12.5% annual return"
- c. "Our minimal investment amount is \$500. For a limited time if you invest \$3,000 or more in our general promissory note you will get a 25% annual return."

The promissory notes offered by Respondents were not registered pursuant to Section 301 of the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

Loofbourrow was not registered under the Act to transact business in the state of

Oklahoma as an agent of a broker-dealer or an issuer.

Respondents desire to settle this matter expeditiously and in a manner consistent with the purposes fairly intended by the policies and provisions of the Act.

The undersigned parties hereto agree as follows:

1. **Permanent Order to Cease and Desist.** Respondents agree to the issuance of a Permanent Order to Cease and Desist in the form of *Exhibit A* attached hereto and made a part hereof (the "Order") and voluntarily waive their right to notice, hearing and appeal as provided by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules"), and the Oklahoma Administrative Procedures Act, Okla. Stat. *tit. 75, § 250 et. seq.*

2. **Compliance with the Act.** Respondents agree to comply with all provisions of the Act and the Rules including, but not limited to, compliance with Sections 201 and 301 of the Act in connection with offers and sales of securities in and/or from the state of Oklahoma. Specifically, Respondents agree to register as required by Section 201 of the Act prior to effecting or attempting to effect transactions in securities in or from the state of Oklahoma. Respondents further agree to register each person who represents Respondents in effecting or attempting to effect transactions in securities in or from the state of Oklahoma. In addition, Respondents agree that they will not offer and/or sell any security in this state unless: (1) it is registered under the Act or the security or transaction is exempted under Section 401 of the Act; or (2) it is a federal covered security.

3. **Entire Agreement.** Respondents voluntarily consent to the issuance of the Order, and represent that the consent and waivers contained herein are voluntary and given without threat, offer, promise, or inducement of any kind or nature having been made or given by the Department, its staff or the Administrator. Other than the Order, this writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

4. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against any Respondent, the Administrator may assist in such actions as authorized by law. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions to which it relates.

5. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

6. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Loofburrow and NSI in connection with the offer of the above described promissory notes; provided, however, should Respondents fail to comply with the terms of this Agreement in any material respect or if Respondents have made any false or misleading statements to the Department in connection with this matter, the Department will initiate action against Respondents as authorized by the Act.

7. **Applicability.** This Agreement applies only to the activities of Respondents and to no others.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

JOE LOOFBURROW:

Joe Loofburrow

Date: 6-26-04

NSI DEVELOPMENT CORPORATION:

By: Joe Loofburrow

Title: None

Date: 6-26-04

OKLAHOMA DEPARTMENT OF SECURITIES:

By: Irving L. Faught
Irving L. Faught, Administrator

Date: 6/30/04