

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

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

Plaintiff,

v.

Greater Midwest Agency, Inc., an Oklahoma
corporation, Greater Midwest Investment
Trust, Special Care Marketing, Inc., an
Oklahoma corporation, Jerry Thane Davis,
an individual, and Max O. Davis, an individual,

Defendants.

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)
) FILED IN THE DISTRICT COURT
) OKLAHOMA COUNTY, OKLA.
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)

) JAN - 2 2002

) PATRICIA PRESLEY GONZALES
) by) Case No. CJ-99-9293
) COURT CLERK

) Deputy

**STIPULATION AND CONSENT TO UNDERTAKING OF DEFENDANTS GREATER
MIDWEST AGENCY, INC., GREATER MIDWEST INVESTMENT TRUST, MAX DAVIS**

Defendants Greater Midwest Agency, Inc., Greater Midwest Investment Trust,
and Max O. Davis stipulate to the following facts and consent to the follow undertakings:

Stipulations:

Defendants Greater Midwest Agency, Inc., Greater Midwest Investment Trust,
and Max O. Davis hereby stipulate as follows:

1. The Oklahoma Department of Securities ("Department") is the proper
party to bring this action seeking the relief requested in the Department's petition filed
on December 30, 1999.

2. Defendants Greater Midwest Agency, Inc., Greater Midwest Investment
Trust, and Max O. Davis (collectively, the "Greater Midwest Defendants") are subject to
the jurisdiction of this Court by proper service of the Department's petition and their
appearance in this matter.

3. The Greater Midwest Defendants offered and sold securities in and/or
from the state of Oklahoma in the nature of certificates of deposit and promised

specified rates of return and stated that the investments were "FDIC Insured" and involved no risk. The Greater Midwest Defendants further represented that there was no risk of losing the investment in the certificates of deposit as the investment was guaranteed by a multi-million dollar insurance policy. The Greater Midwest Defendants received substantial sums of money from certificate of deposit investors for the purported purchase of the certificates of deposit.

4. Defendants Greater Midwest Agency, Inc. and Max O. Davis offered and sold securities in and/or from the state of Oklahoma in the nature of interests in a bank debenture trading program and promised an annual return of 400-800% to bank debenture investors. Defendants Greater Midwest Agency, Inc. and Max O. Davis represented that there was no risk of losing the investment in the bank debenture trading program as the investment was guaranteed by the banking institutions in which the bank debenture investors' funds were deposited. Defendants Greater Midwest Agency, Inc. and Max O. Davis promised to pay to bank debenture investors a 15% commission for new investors introduced to Defendants Greater Midwest Agency, Inc. and Max O. Davis. Defendants Greater Midwest Agency, Inc. and Max O. Davis received substantial sums of money from bank debenture investors for the purported purchase of the bank debentures.

5. The Greater Midwest Defendants admit to the application of the Oklahoma Securities Act ("Oklahoma Securities Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 1999), over them in connection with the offer and sale of securities in and/or from the state of Oklahoma as referenced in paragraphs 3 and 4 above.

Undertakings:

The Greater Midwest Defendants hereby undertake as follows:

1. The Greater Midwest Defendants consent to the entry of the order in the form attached as Exhibit "A" (Order of Permanent Injunction) and made a part of this stipulation and consent to undertaking (Stipulation).

2. The Greater Midwest Defendants state that this Stipulation is entered into voluntarily and that no threat or promise of immunity of any kind has been made by the Administrator or staff of the Department to coerce agreement with this Stipulation.

3. The Greater Midwest Defendants waive any right to appeal from the Order of Permanent Injunction.

4. The Greater Midwest Defendants agree that this Stipulation and all provisions herein shall be incorporated into the Order of Permanent Injunction.

5. The Greater Midwest Defendants agree that they will not offer or sell a security, as defined in Section 2 of the Act, in and/or from the state of Oklahoma.

6. The Greater Midwest Defendants agree that they will not transact business in and/or from the state of Oklahoma as a broker-dealer, agent, investment adviser and/or investment adviser representative.

7. Defendant Max O. Davis agrees that he will not directly or indirectly serve as an officer, director, or control person for any individual, corporation, limited liability company, trust, partnership, incorporated or unincorporated association or any other entity that offers or sells a security in and/or from the state of Oklahoma.

8. The execution of this stipulation is intended by Defendant Max O. Davis to affect only those activities subject to the jurisdiction of the Oklahoma Securities Act and is not intended to apply to the offer and/or sale of any insurance product.

9. Defendant Max O. Davis agrees to pay restitution to Bich Pham in the sum of Eighteen Thousand Dollars (\$18,000.00) as follows and to provide documentation of such restitution payments to the Department:

- a) a sum of One Thousand Two Hundred Dollars (\$1,200.00), to be paid every three months beginning on the 30th day of June, 2002, and continuing to and including March 31, 2003.
- b) a sum of One Thousand Five Hundred Dollars (\$1,500.00), to be paid every three months beginning on the 30th day of June, 2003, and continuing to and including March 31, 2004.
- c) a sum of One Thousand Eight Hundred Dollars (\$1,800.00), to be paid every three months beginning on the 30th day of June, 2004, and continuing to and including March 31, 2005, or until paid in full.

10. The Greater Midwest Defendants agree that the Greater Midwest Defendants, or their designee, will maintain custody and possession of the original customer and client files of Greater Midwest Agency, Inc. and Greater Midwest Services, Inc. for a period of three (3) years from the date of the execution of this Stipulation. The Greater Midwest Defendants agree that the Greater Midwest Defendants, or their designee, will provide access to the original customer and client files of Greater Midwest Agency, Inc. and Greater Midwest Services, Inc. to the Department upon request.

11. The Greater Midwest Defendants agree to the presentation of this Stipulation, executed by each of the Greater Midwest Defendants, and the Order of Permanent Injunction to the Court to be entered without further notice.

12. The Greater Midwest Defendants consent 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, the Greater Midwest Defendants have executed this Stipulation as of the date and year set forth below their signatures hereto.

GREATER MIDWEST AGENCY, INC.

Max O Davis
By: MAX O DAVIS
Title: PRESIDENT
Date: 12.31.01
Address: 10300 KENDAL YUKON, OK 73099

GREATER MIDWEST INVESTMENT TRUST

Max O Davis
By: MAX O DAVIS
Title: Co TRUSTEE
Date: 12.31.01
Address: 10300 KENDAL YUKON, OK 73099

MAX O. DAVIS

Max O Davis
Date: 12.31.01
Address: 10300 KENDAL, YUKON, OK 73099