

5. That a copy of the Notice with the Recommendation attached is being sent this 18th day of December, 2001, by certified mail, return receipt requested, delivery restricted to addressee, to the last known addresses of Nist Technologies, Inc. and David E. Nist in compliance with Section 413(h) of the Act.

6. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 413(h) of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 18th day of December, 2001.

(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 18th day of December, 2001.

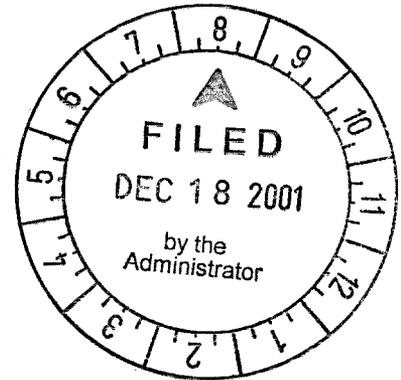
(NOTARY SEAL)


Notary Public

My Commission Expires:

August 26, 2005

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Nist Technologies, Inc.

and

David E. Nist

Respondents.

ODS File No. 00-195

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act (Act), 71 O.S. §§ 1-413, 501, 701-703 (1991 & Supp. 2000), the Administrator (Administrator) of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of the referenced Respondents (Respondents), in connection with offers and sales of securities in and/or from Oklahoma.

2. On the 29th day of November, 2001, the attached Recommendation to Issue an Order to Cease and Desist (Recommendation) was submitted to the Administrator.

3. The Administrator of the Department, pursuant to Section 406(b) of the Act, hereby gives Respondents notice of their right to request a hearing to show cause why a final order to cease and desist, based on the attached Recommendation, should not be issued.

4. Pursuant to Section 406(b) of the Act, the request for hearing must be received by the Administrator within fifteen (15) days after the receipt of this Notice.

5. Pursuant to 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules), the request for hearing shall be in writing and specify the grounds upon which relief is sought.

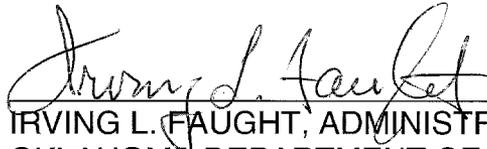
6. Upon receipt of a written request, and as required by 660:2-9-2 of the Rules, a hearing on the final order shall be set within sixty (60) days, or a written order denying hearing shall be issued.

7. Pursuant to 660:2-9-3 of the Rules, Respondents shall be given notice of the date, time and location of the hearing not less than ten (10) days in advance thereof. Such notice may supplement this notice and, pursuant to 660:2-9-3 of the Rules, may contain a statement of any new matters to be considered at the hearing and a short plain statement of any new matters asserted.

8. Pursuant to Section 406(b) of the Act, failure to request a hearing as provided for herein will result in the issuance of a final order to Respondents to cease and desist from violating the Act and/or Rules. Such order will be based upon the Findings of Fact, Authorities and Conclusions of Law set out in the attached Recommendation.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 18th day of December, 2001.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 18th day of December, 2001, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing on Recommendation to Issue an Order to Cease and Desist was mailed by certified mail, return receipt requested, restricted delivery, with postage prepaid thereon addressed to:

Nist Technologies, Inc.
P.O. Box 911
Carrollton, GA 30117

David E. Nist
P.O. Box 911
Carrollton, GA 30117

Brenda London Smith

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102

In the Matter of:

Nist Technologies, Inc.

and

David E. Nist

Respondents.

ODS File No. 00-195

RECOMMENDATION TO ISSUE AN ORDER TO CEASE AND DESIST

The Oklahoma Department of Securities (Department), under the authority of the Oklahoma Securities Act (Act), 71 O.S. §§ 1-413, 501, 701-703 (1991 and Supp. 2000), conducted an investigation into the activities of Nist Technologies, Inc. and David E. Nist (Respondents) in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of an Order to Cease and Desist.

Findings of Fact

1. At all times material hereto, Nist Technologies, Inc. was located in Moore, Oklahoma. Nist Technologies, Inc. was incorporated under Oklahoma law in August of 1996. The corporation is currently suspended from doing business in Oklahoma.

2. At all times material hereto, David E. Nist, an individual, was a resident of Moore, Oklahoma.

3. In or around September of 1996, Respondents offered and sold shares of preferred stock in Nist Technologies, Inc. (Nist Stock) in and/or from the state of Oklahoma.

4. The Nist Stock that Respondents offered and sold was not registered as required by Section 301 of the Act.

5. Respondents did not file a notice to claim an exemption from registration pursuant to Section 401 of the Act with respect to the Nist Stock.

6. Respondent David E. Nist was not registered to transact business in this state as a broker-dealer or agent as required by Section 201 of the Act.

Authorities

1. Section 2 of the Act provides in pertinent part:

(d) "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

* * *

(v) "Security" means any:

* * *

(2) stock[.]

2. Section 201 of the Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration[.]

* * *

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered or is exempt from registration. . . .

3. Section 301 of the Act provides:

It is unlawful for any person to offer or sell any security in this state unless:

(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or

(2) it is a federal covered security.

4. Section 406 of the Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

(1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof[.]

Conclusions of Law

1. The shares of preferred stock in Nist Technologies, Inc. are securities as defined by subsection (v) of Section 2 of the Act.

2. Respondents offered and sold securities in and/or from the state of Oklahoma without registration of such securities under the Act, in violation of Section 301 of the Act.

3. Respondent David E. Nist is an agent as defined by subsection (d) of Section 2 of the Act.

4. Respondent David E. Nist transacted business in this state as an agent without registration as such, in violation of Section 201 of the Act.

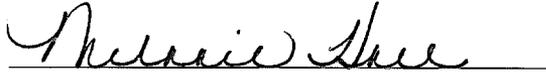
5. Respondent Nist Technologies, Inc. employed an agent who was not registered to transact business in this state as an agent, in violation of Section 201 of the Act.

6. The Administrator has the authority pursuant to Section 406 of the Act to issue an order to cease and desist.

WHEREFORE, it is recommended that the Administrator issue an order directing Respondents Nist Technologies, Inc. and David E. Nist to cease and desist from engaging in violations of Sections 201 and 301 of the Act or doing any act in furtherance thereof.

Dated this 29th day of November, 2001.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Melanie Hall", is written over a horizontal line.

Melanie Hall
Deputy Administrator
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700