

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



In the Matter of:

Transand, LLC,
ZBD, LLC, and
Clyde Z. Nunn,

Respondents.

ODS File No. 10-034

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) SS.

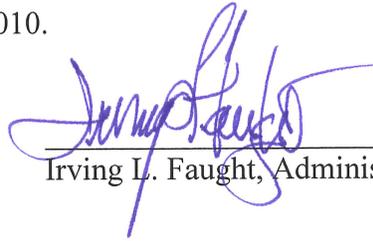
The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (“Department”).
2. That the attached copies of the *Enforcement Division Recommendation and Notice of Opportunity for Hearing* (“*Order and Notice*”) were delivered to Affiant in the office of the Administrator of the Department (“Administrator”) pursuant to Section 1-611 of the Oklahoma Uniform Securities Act (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2009).
3. That the Administrator has received service of process on behalf of Respondents pursuant to Section 1-611 of the Act.
4. That a copy of the *Order and Notice*, and a copy of this *Notice of Service on the Administrator and Affidavit of Compliance*, are being sent this 30th day of April, 2010, by certified mail, return receipt requested, delivery restricted to addressee, to the last known address of Respondents, in compliance with Section 1-611 of the Act.
5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

FURTHER AFFIANT SAYETH NOT.

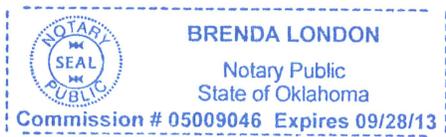
Dated this 29th day of April, 2010.

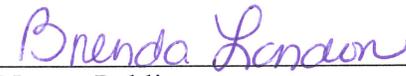
(SEAL)



Irving L. Faught, Administrator

Subscribed and sworn to before me this 29th day of April, 2010.





Notary Public

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



In the Matter of:

Transand, LLC,
ZBD, LLC, and
Clyde Z. Nunn,

Respondents.

ODS File No. 10-034

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2009), and the Oklahoma Securities Act (“Predecessor Act”), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), the Oklahoma Department of Securities (“Department”) conducted an investigation into the activities of Transand, LLC; ZBD, LLC; and Clyde Z. Nunn (collectively, the “Respondents”), in connection with the offer and/or sale of promissory notes in and/or from the state of Oklahoma.

2. On the 29th day of April, 2010, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within twenty (20) days after service of this Notice. Failure to request a hearing as provided for herein shall result in the issuance of an order directing Respondent to cease and desist from engaging in any securities law violation and doing any act in furtherance thereof.

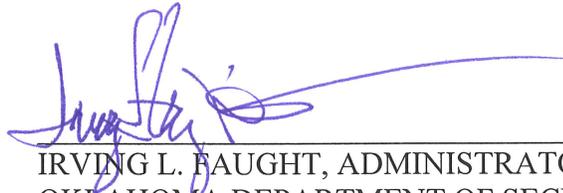
5. The request for hearing shall be in writing and Respondent shall specifically admit or deny each allegation in said request as required by 660:2-9-2 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within ninety (90) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Respondent not less than forty-five (45) days in advance thereof pursuant to 660:2-9-2(c) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 29th day of April, 2010.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 30th day of April, 2010, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Enforcement Division Recommendation was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Transand, LLC
11111 Halkirk Place
Louisville, KY 40243

Transand, LLC
PO Box 5
Tishomingo, OK 73460

ZBD, LLC
11111 Halkirk Place
Louisville, KY 40243

ZBD, LLC
PO Box 5
Tishomingo, OK 73460

Clyde Z. Nunn
11111 Halkirk Place
Louisville, KY 40243

Brenda London
Brenda London
Paralegal

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



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ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2009), and the Oklahoma Securities Act (“Predecessor Act”), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), the Oklahoma Department of Securities (“Department”) conducted an investigation into the activities of Transand, LLC; ZBD, LLC; and Clyde Z. Nunn (collectively, the “Respondents”), in connection with the offer and/or sale of promissory notes in and/or from the state of Oklahoma. The Administrator of the Department (“Administrator”) presents the following Findings of Fact, Authorities, and Conclusions of Law in support of the issuance of an order to cease and desist.

Findings of Fact

1. At all times material hereto, Clyde Z. Nunn (“Nunn”), an Oklahoma resident, was owner, principal and control person of Transand and ZBD. Nunn is not, and at all times material hereto was not, registered in any capacity under the Act.

2. As early as 2002, Nunn engaged in the offer and/or sale in and/or from Oklahoma of promissory notes issued by Transand, LLC (“Transand”) and ZBD, LLC (“ZBD”) (“Notes”). Transand was an unincorporated Oklahoma entity with its principal place of business in Tishomingo, Oklahoma. ZBD was an unincorporated Oklahoma entity with its principal place of business in Tishomingo, Oklahoma.

3. Nunn offered and/or sold to at least one Oklahoma resident (“Oklahoma Investor”) four Notes in or about November of 2002 through February of 2003.

4. The Notes required the Oklahoma Investor to transfer funds to Transand and/or ZBD in exchange for a guaranteed payment by Transand and/or ZBD of three to four times the amount of the loans.

5. Respondents represented that the Oklahoma Investor's funds would be used in connection with certain projects including the sale of plasma waste conversion equipment.

6. Since November of 2002, the Oklahoma Investor has transferred \$20,000 to Nunn.

7. Each time Nunn gave the Oklahoma Investor checks for the guaranteed payments on the loans, the checks were returned by the bank for insufficient funds.

8. The Notes were not registered under the Predecessor Act and Transand and ZBD have not filed notices to claim an exemption from registration.

To the extent any of these Findings of Fact should be considered Conclusions of Law, they should be so considered.

Authorities

1. Section 2 of the Predecessor 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:

* * *

(1) note;

* * *

(6) evidence of indebtedness;

* * *

(11) investment contract[.]

2. Section 101 of the Predecessor Act provides in pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly [:]

- (1) to employ any device, scheme, or artifice to defraud,
- (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, [or]
- (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

3. Section 201 of the Predecessor 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 as provided in paragraph (2) or (3) of this subsection.

* * *

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

4. Section 405 of the Predecessor Act provides in part:

(a) The Administrator in his discretion:

(1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder[.]

5. Section 406 of the Predecessor 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;

* * *

(5) issue an order against a person who willfully violates the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act, imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for multiple violations or transactions in a single proceeding or a series of related proceedings.

Conclusions of Law

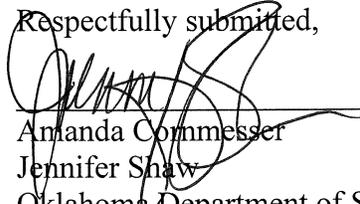
1. The Notes are securities as defined by the Predecessor Act.
2. Respondents offered and sold unregistered securities in and/or from the state of Oklahoma, in violation of Section 201 of the Predecessor Act.
3. Nunn transacted business in this state as an unregistered agent, in violation of Section 201 of the Predecessor Act.
4. Transand and ZBD employed at least one unregistered agent, in violation of Section 201 of the Predecessor Act.
5. Respondents made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and/or sale of securities in violation of Section 101 of the Predecessor Act.
6. The Administrator has the authority to order Respondents to cease and desist from engaging in any act, practice, or course of business constituting a violation of the Act.
7. It is in the public interest to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

WHEREFORE, it is recommended that the Administrator issue an order directing Respondents to cease and desist from engaging in any securities law violation and doing any act in furtherance thereof.

Dated this 29th day of April, 2010.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jennifer Shaw", is written over a horizontal line. The signature is stylized and somewhat cursive.

Amanda Commesser
Jennifer Shaw
Oklahoma Department of Securities
120 N. Robinson, Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700