

IN THE DISTRICT COURT OF OKLAHOMA COUNTY DISTRICT COURT
STATE OF OKLAHOMA FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

MAY 23 2006

PATRICIA PRESLEY, COURT CLERK
by _____ DEPUTY

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
David Fowler,)
)
Defendant.)

Case No.

CJ-2006-4228

PETITION FOR ORDER ENFORCING ADMINISTRATIVE ORDER

Plaintiff, Oklahoma Department of Securities (“Department”) *ex rel.* Irving L. Faught, Administrator, petitions this Court for an order enforcing an administrative order entered pursuant to Section 1-604 of the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and Section 406 of the Oklahoma Securities Act (“Predecessor Act”), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003). For this cause, Plaintiff alleges and states:

1. Defendant Fowler is an individual and a resident of Tulsa, Oklahoma.
2. Pursuant to Section 1-603 of the Act and Section 406.1 of the Predecessor Act, the Administrator of the Department (“Administrator”) is the proper party to bring this action against Defendant Fowler, and the Administrator may bring such action in the district court of Oklahoma County or the district court of any other county where service can be obtained.
3. By virtue of his residence and activities in this state, Defendant Fowler is subject to the jurisdiction of this Court and to service of summons within this state.

4. On November 29, 2005, the Enforcement Division of the Department submitted to the Administrator a recommendation to enter an order to cease and desist and to impose civil penalties against Defendant Fowler and others ("Recommendation").

5. On February 24, 2006, the Administrator entered an Order to Cease and Desist ("Order"), attached hereto as "Exhibit A" and incorporated by reference, against Defendant Fowler.

6. Page 5 of the Order states: "IT IS FURTHER ORDERED that Fowler pay a civil penalty in the amount of Three Hundred Dollars (\$300), by money order or cashier's check payable to the Oklahoma Department of Securities, within thirty (30) days of the date this Order is entered."

7. Rule 660:2-9-8 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") states, in pertinent part: "Parties shall be notified either personally or by certified mail, return receipt requested, of any final order. A copy of the order shall be delivered or mailed promptly to each party and to his attorney of record, if any."

8. On February 24, 2006, the same date the Order was entered, the Department mailed a copy of the Order to Defendant Fowler by certified mail, return receipt requested, and delivery restricted, to 7030-C South Lewis Avenue, #561, Tulsa, Oklahoma 74136 ("Address of Record"). On February 25, 2006, the certified mail return receipt, attached hereto as "Exhibit B", was signed by C.C. Hart. Fowler provided the Address of Record to the Department via telephone on January 26, 2006. On April 7, 2006, the Department confirmed that the Address of Record is located at a Mail Boxes, Etc., that Box 561 belongs to Defendant Fowler, and that C.C.

Hart is an employee of Mail Boxes, Etc. Fowler was not represented by counsel in the matter in which the Order was entered.

9. On March 29, 2006, and April 25, 2006, the Department mailed letters requesting the payment of Defendant Fowler's civil penalty to him at the Address of Record via certified mail, return receipt requested. The certified mail return receipt for the March 29th letter was signed by "C.C. Hart" on March 30, 2006. The certified mail return receipt for the second letter has not been returned to the Department. However, the United States Postal Service tracked the delivery and confirmed that the letter was delivered at 10:38 a.m. on April 26, 2006.

10. To date, Defendant Fowler has not paid any portion of the civil penalty imposed against him, and he has not contacted the Department to arrange a payment plan. Therefore, Defendant Fowler has failed to comply with the Order.

11. Subsection G of Section 1-604 of the Act states:

If a person does not comply with an order under this section, the Administrator may petition a court of competent jurisdiction to enforce the order. The court may not require the Administrator to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount not to exceed One Thousand Dollars (\$1,000.00) for each violation and may grant any other relief the court determines is just and proper in the circumstances.

12. Without relief, the Department has no means to carry out its legislative mandate to enforce the Act.

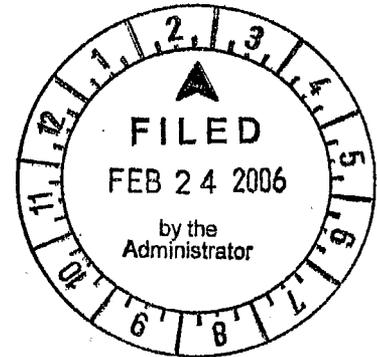
WHEREFORE, the Department requests that this Court hold Defendant Fowler in contempt, order Defendant Fowler to pay a civil penalty in the amount of One Thousand Three Hundred Dollars (\$1,300.00) to the Department within thirty (30) days of the entry of the order, and grant such other relief as this Court deems appropriate.

Respectfully submitted,
OKLAHOMA DEPARTMENT OF SECURITIES
Irving L. Faught, Administrator

By: *Terra Shamas*

Terra Shamas, OBA #20838
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
Telephone: (405) 280-7700
Facsimile: (405) 280-7742

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



In the Matter of:

Perissos, Inc., David L. Martin,
David Fowler, and Don R. Nicholson,

Respondents.

ODS File No. 05-035

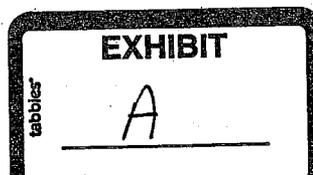
ORDER TO CEASE AND DESIST

On November 29, 2005, the Enforcement Division of the Oklahoma Department of Securities ("Department") filed a recommendation ("Recommendation") against Perissos, Inc. ("Perissos"), David L. Martin ("Martin"), David Fowler ("Fowler"), and Donald R. Nicholson, Jr. (also known as "Don R. Nicholson," and hereinafter referred to as "Nicholson") (collectively, the "Respondents") with the Administrator ("Administrator") of the Department, pursuant to the Oklahoma Business Opportunity Sales Act ("Business Opportunity Act"), Okla. Stat. tit. 71, §§ 801-829 (2001), the Oklahoma Securities Act ("Predecessor Securities Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), and the Oklahoma Uniform Securities Act of 2004 ("Securities Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

On December 22, 2005, the Administrator issued a Notice of Opportunity for Hearing with the Recommendation attached (the "Process"). Pursuant to Section 1-611 of the Securities Act and Section 818.F of the Business Opportunity Act, the Process was served on the Administrator on December 22, 2005. On the same date, the Administrator sent notice of the service and a copy of the Process to the last known addresses of Respondents, by certified mail, return receipt requested, and delivery restricted. On December 22, 2005, the Administrator filed his affidavit of compliance with Section 1-611 of the Securities Act and Section 818.F of the Business Opportunity Act.

On January 13, 2006, the notice of service and copy of the Process mailed to Fowler at his last known address were returned to the Department marked "Returned to Sender, Unclaimed." On January 26, 2006, the Department notified Fowler of the Recommendation via telephone, and Fowler provided the Department with his current mailing address. On the same date, the Department sent notice of service and a copy of the Process to Fowler's current mailing address, by certified mail, return receipt requested, and delivery restricted. On January 28, 2006, the certified mail return receipt was signed by C.C. Hart.

The Notice of Opportunity for Hearing mailed to Fowler specified that failure to request a hearing within twenty (20) days of service would result in the issuance of an order against



Fowler to cease and desist from engaging in violations of the Securities Act or doing any act in furtherance thereof and an order imposing a civil penalty against Fowler, as an individual, in the sum of Three Hundred Dollars (\$300).

As of the date of this Order, the Administrator has not received a request for hearing or any other response from Fowler. The Findings of Fact and Conclusions of Law, relating to Fowler's actions, set forth in the Recommendation being uncontested by Fowler are therefore accepted as true and correct.

The Administrator, being fully advised in this matter, does hereby adopt the Findings of Fact and Conclusions of Law set forth below.

Findings of Fact

1. Perissos is a corporation organized under the laws of the state of Oklahoma in September 2000. Perissos' principal place of business is in Broken Arrow, Oklahoma.
2. Perissos develops and markets religious software and internet learning tools ("Programs"). The Programs are currently marketed under the name "Mind Renewing Media."
3. Martin was founder and, at all times material hereto, president and sole shareholder of Perissos. Martin was also founder, and at all times material hereto, president of David Martin Ministries, an international evangelistic organization.
4. From about March 2001 until May 2002, Fowler was employed by Perissos.
5. At all times material hereto, Fowler was not registered in any capacity under the Predecessor Securities Act or the Securities Act.
6. While employed by Perissos, Fowler offered and sold investment units ("Units"), evidenced by subscription agreements and issued by Perissos, to multiple Oklahoma residents ("Investors"). The Units did not represent equity interests in Perissos.
7. Fowler offered and/or sold Units to Investors at \$5,000 per Unit. The Units were offered to Investors in phases. The investment terms varied both within and among the phases.
8. The Units were not registered pursuant to Section 301 of the Predecessor Securities Act or Section 1-301 of the Securities Act.
9. Fowler engaged in general solicitation of the Units. Fowler held a sales presentation on April 5, 2001, at a hotel in Tulsa, Oklahoma. Fowler promoted the April 5th meeting with a document titled: "THE STOCK MARKET IS WAY DOWN BUT JESUS IS STILL LORD!!!!!!!" The document stated, in part: "DON'T MISS THIS OPPORTUNITY[.] Perissos is currently finishing an investment portfolio offering that will pay the subscribed investors a 400% return."

10. In June 2001, Fowler offered Units to S. Farmer, an Oklahoma resident. Fowler initially represented to S. Farmer that, assuming that a maximum of 75 Units of Phase One were sold, approximately \$115,000 of the \$375,000 in investment proceeds would be used to reimburse David Martin Ministries for the time spent by Martin in developing and marketing the Program and the use of office space, support equipment, and other personnel. On June 5, 2001, S. Farmer purchased four units for \$20,000.

11. In October 2001, Fowler represented to Investors that, assuming 100 Units of Phase One were sold, approximately \$130,000 of the \$500,000 in investment proceeds would be used to reimburse David Martin Ministries.

12. Fowler represented to some Investors that the reimbursement due David Martin Ministries was \$115,000 or approximately 26% of the investment proceeds, while representing to other Investors that the reimbursement due David Martin Ministries was \$130,000 or 30.6% of the investment proceeds.

13. In February 2002, Fowler represented to investors that, assuming 100 Units of Phase Two were sold, approximately \$130,000 of the \$500,000 in investment proceeds would be used to reimburse David Martin Ministries. Fowler represented that approximately 26% of the investment proceeds of Phase Two would be paid to David Martin Ministries.

14. Fowler, directly and indirectly, made untrue statements of material fact in connection with the offer, sale, and/or purchase of the Units including, but not limited to, the following:

- a. that Investors in Phase One would receive twenty-five cents (\$0.25) for each of the first 100,000 Programs sold by Perissos; and
- b. that less than or approximately 30.6% of the investment proceeds would be used to reimburse David Martin Ministries.

15. Fowler 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 to investors in connection with the offer, sale, and/or purchase of the Units, including, but not limited to, the following:

- a. that the investment terms within a particular phase would vary from one investor to another;
- b. that the risks associated with a particular phase would change for an individual investor when the investment terms within that phase were changed for later investors;
- c. that the Units were not exempt from registration under the Predecessor Securities Act and/or the Securities Act;

- d. that Fowler was not registered as an issuer agent under the Predecessor Securities Act and/or the Securities Act; and
- e. that David Martin Ministries would receive, in cash, 49% of the total investment proceeds, from September 1, 2000 through December 31, 2003.

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

Conclusions of Law

1. Fowler has waived his right to a hearing required by the Securities Act, the Rules of the Oklahoma Securities Commission and the Administrator, and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et seq.*

2. The Units are securities as defined by Section 2 of the Predecessor Securities Act and Section 1-102 of the Securities Act.

3. Fowler offered and sold unregistered securities in and/or from the state of Oklahoma, in violation of Section 301 of the Predecessor Securities Act and Section 1-301 of the Securities Act.

4. Fowler transacted business in this state as an issuer agent without the benefit of registration, in violation of Section 201 of the Predecessor Securities Act and Section 1-402 of the Securities Act.

5. Fowler made untrue statements of material fact, in connection with the offer and/or sale of securities in and/or from the state of Oklahoma, in violation of Section 101 of the Predecessor Securities Act and Section 1-501 of the Securities Act.

6. Fowler 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 and/or from the state of Oklahoma, in violation of Section 101 of the Predecessor Securities Act and Section 1-501 of the Securities Act.

7. The Administrator has the authority to order Fowler to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Securities Act.

8. It is in the public interest to order Fowler to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Securities Act.

9. Issuance of a cease and desist order is consistent with the purposes intended by the Securities Act.

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

Order

IT IS HEREBY ORDERED that Fowler cease and desist from engaging in any act, practice, or course of business constituting a violation of the Securities Act or doing any act in furtherance thereof.

IT IS FURTHER ORDERED that Fowler pay a civil penalty in the amount of Three Hundred Dollars (\$300), by money order or cashier's check payable to the Oklahoma Department of Securities, within thirty (30) days of the date this Order is entered.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 24th day of February, 2006.

(SEAL)

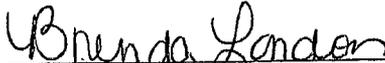


IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 24th day of February, 2006, a true and correct copy of the above and foregoing Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted to addressee, with postage prepaid thereon, address to:

David Fowler
7030-C S. Lewis Avenue, #561
Tulsa, OK 74136



Brenda London, Paralegal

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

David Fowler
7030-C S. Lewis Avenue, #561
Tulsa, OK 74136

C+D 05-035TS

2. Article Number (Copy from service label)

7000 0520002311859290

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

CC Hart 2/25/06

C. Signature

x CC Hart

Agent

Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

EXHIBIT

B

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