

IN THE DISTRICT COURT OF TULSA COUNTY
STATE OF OKLAHOMA

FILED
JAN 11 2001
SALLY HOWE ANTHONY, CLERK
STATE OF OKLAHOMA

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

Plaintiff,)

v.)

Case No. CJ 2001 00188

Parakletos Professional Services,)
L.L.C., an Oklahoma limited liability)
company, Parakletos Investment)
Club, Parakletos Investment Club II,)
Charles R. Chung, an individual, and)
J. Elaine Chung, an individual,)

Defendants.)

SHARON HUBBARD

TEMPORARY RESTRAINING ORDER,
ORDER FREEZING ASSETS AND APPOINTMENT OF RECEIVER

This matter came on for hearing this 11 day of January, 2001, before the undersigned Judge of the District Court in and for Tulsa County, State of Oklahoma, upon the verified Petition for Permanent Injunction and Other Equitable Relief of the Plaintiff and the application therein for a temporary restraining order, order freezing assets and appointment of receiver pursuant to Section 406.1 of the Oklahoma Securities Act (the "Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 2000) and Sections 1382, 1383 and 1551 of the Oklahoma Code of Civil Procedure, Okla. Stat. tit. 12, §§1-3237 (1999).

It appears to this Court from the facts alleged in Plaintiff's verified Petition that Plaintiff is entitled to the relief prayed for; it further appears that the public will suffer irreparable damage and injury unless the Defendants, their officers, directors, agents,

servants, employees, assigns, attorneys and all other persons, directly or indirectly, acting on their behalf, under their direction and control and/or in active concert or participation with them are restrained forthwith and without notice.

It further appears to the Court that if the issuance of this temporary restraining order, asset freeze and appointment of receiver is delayed until notice is given to the opposing parties there is a strong likelihood that investor funds may be lost to the detriment of those investors. The irreparable injury to be suffered by Plaintiff is the continued violations of the Act by Defendants if not temporarily restrained.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants, their officers, directors, agents, servants, employees, assigns, attorneys and those persons acting on their behalf, under their direction and control and/or in active concert or participation with them who receive actual notice of this order, by personal service or otherwise, be and hereby are, and until further notice of this Court, restrained from:

1. transacting business in this state as a broker-dealer, agent, investment adviser and/or investment adviser representative unless appropriately registered under the Act;
2. offering or selling any security in this state unless the security is registered under the Act or the security of transaction is exempted under Section 401 of the Act, or unless the security is a federal covered security;
3. directly or indirectly, making untrue statements of material fact in connection with the offer, sale, and/or purchase of securities from or in this state;

4. omitting to state material facts necessary in order to make statements made, in light of the circumstances under which they are made, not misleading, in connection with the offer, sale, and/or purchase of securities from or in this state;

5. directly or indirectly, engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and,

6. directly or indirectly, tampering with, altering, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks or computer generated data of any type, however created or stored, pertaining to Defendants or any financial or securities transaction by Defendants.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending determination of the motion for temporary injunction, the assets of Defendants Parakletos Professional Services, L.L.C. and Parakletos Investment Club, or any other investment club controlled by Defendants, be, and hereby are, frozen. The freeze shall include, but not be limited to, those funds located in any bank or securities brokerage accounts of Defendants Parakletos Professional Services, L.L.C., Parakletos Investment Club, Parakletos Investment Club II and any other investment club controlled by Defendants. It shall also apply to accounts in the name of any individuals or entities controlled by Defendants or over which Defendants have signatory or other designated authority, if the funds are derived to any extent from the activities alleged in Plaintiff's petition.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Neal Samblin (Receiver) is appointed Receiver for all assets of

Defendants Parakletos Professional Services, L.L.C., Parakletos Investment Club, Parakletos Investment Club II and any other investment club controlled by Defendants (the "Receivership Defendants"), directly or indirectly owned, beneficially or otherwise, including funds on deposit with any and all financial institutions. The Tulsa County Sheriff shall immediately install the receiver at the place of business of the Receivership Defendants. The receiver is given directions and authority to accomplish the following with regard to the Receivership Defendants:

1. to take custody, control and possession of all the funds and other assets of the Receivership Defendants, wherever situated;
2. to conserve, hold and manage all such assets, and the business of the Receivership Defendants pending further action by this Court in order to prevent any irreparable loss, damage or injury to investors; to conserve and prevent the withdrawal or misapplication of funds entrusted to the Receivership Defendants, their agents, employees, officers, directors, principals, distributors, sales representatives and/or attorneys; and to prevent violations of the Act by the Receivership Defendants;
3. to make such payments and disbursements as may be necessary and advisable for the preservation of the properties of the Receivership Defendants and as may be necessary and advisable in discharging his duties as Receiver;
4. to retain and employ attorneys, accountants, computer consultants and other persons as may be advisable or necessary in the management, conduct, control or custody of the affairs of the Receivership Defendants and of the assets thereof and otherwise generally to assist in the evaluation. Receiver may immediately retain or

employ such persons, and compensate such persons, all subject to filing as soon as practicable with this Court, an application seeking approval of the employment;

5. to institute, prosecute and defend compromise, adjust, intervene in or become party to such actions or proceedings in any state court, federal court or United States bankruptcy court as may in Receiver's opinion be necessary or proper for the protection, maintenance and preservation of the assets of the Receivership Defendants, or the carrying out of the terms of this Order, and likewise to defend, compromise, adjust or otherwise dispose of any or all actions or proceedings now pending in any court by or against the Receivership Defendants where such prosecution, defense or other disposition of such actions or proceedings will in the judgment of the Receiver be advisable or proper for the protection of the properties of Defendants; and

6. to exercise those powers necessary to implement his conclusions with regard to disposition of this receivership pursuant to the orders and directives of this Court.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them deliver over to said Receiver:

1. the identity of any and all bank or securities brokerage accounts to which any deposit(s) were made of investor funds.

2. custody, possession and control of any and all bank or securities brokerage accounts to which any deposit(s) were made of funds obtained in connection with offers and sales of securities; and

3. custody, possession and control of all funds, assets, books and records, as are necessary to obtain an accounting of the amount, source and disposition of funds received from the business of Defendants or from the purchase or sales of securities.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them refrain from interfering with said Receiver taking such custody, control or possession and from interfering in any manner, directly or indirectly, with such custody, possession and control of said Receiver.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that Defendants and Receiver allow representatives of the Oklahoma Department of Securities access to all books, records and accounts relating to the business of Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them fully cooperate with and assist the Receiver appointed in this action and that they take no action, directly or indirectly, to hinder or obstruct the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession or control exercised by said Receiver.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that all banks, brokerage firms or other financial institutions which are served with a copy of this Order shall cooperate with all reasonable requests of the Receiver relating to implementation of this Order, including transferring funds at his direction and producing records relating to the accounts of Defendants. It shall also apply to accounts in the name of any individuals or entities controlled by Defendants or over which Defendants have signatory or other designated authority, if the funds are derived to any extent from the activities alleged in Plaintiff's petition. Facsimile transmission shall constitute service on the banks, brokerage firms or other financial institutions.

IT IS FURTHER ORDERED that the Receiver may apply to the Court for compensation, from time to time, in a reasonable sum to be determined by the Court and reimbursement for reasonable expenses incurred in connection with his duties as Receiver. The fees and expenses of the Receiver shall have priority over any other claims made of the Defendants. The Receiver shall file with the Clerk of this Court within ten (10) days of the entry of this Order, a bond in the sum of Ten Thousand Dollars (\$ 10,000.00) with sureties to be approved by the Court conditioned that he will well and truly perform the duties of his office and duly account for all monies and properties which may come into his hands. The fee for said bond shall be paid from the assets of Defendants. The Oklahoma Department of Securities shall have the authority to seek removal of the Receiver for cause and upon approval of this Court.

IT IS FURTHER ORDERED that the Defendants shall provide notice of this order to each of their subsidiaries, officers, directors, agents, servants, employees, assigns,

attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with Defendants.

IT IS FURTHER ORDERED that a hearing is hereby set at 9:00 o'clock a.M. on the 29th day of January, 2001, before the Honorable Judge Bubenik of the Tulsa County District Court, Tulsa County Courthouse, Tulsa, Oklahoma, at which time the Defendants may seek the dissolution of this Temporary Restraining Order.

THIS ORDER IS ENTERED this 11 day of January, 2001, at 2:42, P.M.

SHARRON BUBENIK

TULSA COUNTY DISTRICT COURT JUDGE