

**IN THE DISTRICT COURT IN AND FOR OKLAHOMA COUNTY
STATE OF OKLAHOMA**

OKLAHOMA DEPARTMENT OF SECURITIES)
ex rel. IRVING L. FAUGHT, ADMINISTRATOR,)

Plaintiff,)

vs.)

Case No. CJ-2007-5605

AMERICAN LIBERTY INSURANCE & FINANCIAL)
SERVICES, an unincorporated entity;)
LIGHTHOUSE MARKETING INCORPORATED, an)
Oklahoma corporation; and TRAVIS RAY)
WINNETT, an Individual,)

Hon. Patricia Parrish

Defendants.)

**DEFENDANTS' ANSWER TO PLAINTIFF'S PETITION FOR PERMANENT
INJUNCTION AND OTHER EQUITABLE RELIEF**

COMES NOW, American Liberty Insurance & Financial Services, Lighthouse Marketing Inc., and Travis Ray Winnett (collectively "Defendants"), by and through their attorney, James O. Goodwin, pursuant to 12 O.S. Supp. 2004, §2012, hereby answers the Oklahoma Department of Securities' ("Plaintiff") petition for permanent injunction and other equitable relief, and states as follows:

I. Answer to Plaintiff's Petition

1. Defendants deny that they offered and sold unregistered securities, failed to register as an agent, employed an unregistered agent, and perpetrated fraud in connection with the offer, sale, and/or purchase of securities.
2. Defendants deny paragraph No.2 of Plaintiff's petition in its entirety.
3. Defendants admit that the administrator of the Oklahoma Department of Securities is the proper party to bring an action for securities violations.

4. Defendants deny that they are subject to the terms of the Oklahoma Securities Act, codified as 71 O.S. Supp. 2004, § 1-101, *et seq.* (“Act”), as their “activities” did not involve the offer, sale, and purchase of securities, but Defendants admit that the Act vests subject matter jurisdiction with this court to adjudicate alleged violations of the Act, and that this court is vested with personal jurisdiction over Defendants.

5. Defendants deny that they have engaged, and are engaging, in acts and practices in violation of the Act and that an injunction is warranted.

6. Defendants admit that Defendant American Liberty Insurance & Financial Services (“ALF”) was an unincorporated entity with its principal place of business in Tulsa, Oklahoma; Defendants deny that ALF issued, offered, and/or sold securities.

7. Defendants admit that Defendant LightHouse Marketing, Inc. (“LightHouse”) is an Oklahoma corporation, with a business address in Catoosa, Oklahoma; Defendants deny that LightHouse issued, offered, and/or sold securities.

8. Defendants admit that Defendant Travis Winnett (“Winnett”) is an individual and Oklahoma resident and is the registered agent of LightHouse, but denies that he controls “all acts” of ALF; Defendants deny that Winnett issued, offered, and/or sold securities.

9. Defendants deny paragraph No.9 of Plaintiff’s petition in its entirety.

10. Defendants deny paragraph No.10 of Plaintiff’s petition in its entirety.

11. Defendants deny paragraph No.11 of Plaintiff’s petition in its entirety.

12. Defendants deny: (1) that “investor funds” were deposited into a non-interest bearing account at RCB Bank; (2) that the account is “controlled” by Defendant Winnett; and (3) that amounts deposited into said account have been deposited by “investors” primarily for the

payment of Defendants' personal expenses. Defendants admit that the funds deposited into said account have not been invested.

13. No Answer is required to Plaintiff's Petition, paragraph No.13.
14. Defendants deny paragraph No.14 of Plaintiff's petition in its entirety.
15. Defendants deny paragraph No.15 of Plaintiff's petition in its entirety.
16. Defendants deny paragraph No.16 of Plaintiff's petition in its entirety.
17. No Answer is required to Plaintiff's Petition, paragraph No.17.
18. Defendants deny paragraph No.18 of Plaintiff's petition in its entirety.
19. Defendants admit paragraph No.19 of Plaintiff's petition in its entirety.
20. Defendants deny paragraph No.20 of Plaintiff's petition in its entirety.
21. Defendants admit paragraph No.21 of Plaintiff's petition in its entirety.
22. Defendants deny paragraph No.22 of Plaintiff's petition in its entirety.
23. No Answer is required to Plaintiff's Petition, paragraph No.23.
24. Defendants deny paragraph No.24 of Plaintiff's petition in its entirety.
25. Defendants deny paragraph No.25 of Plaintiff's petition in its entirety.
26. Defendants deny paragraph No.26 of Plaintiff's petition in its entirety.
27. No Answer is required to Plaintiff's Petition, paragraph No.27.
28. Defendants deny paragraph No.28 of Plaintiff's petition in its entirety.
29. Defendants deny paragraph No.29 of Plaintiff's petition in its entirety.

II. 12 O.S. Supp. 2004, § 2012(B) Defenses

30. Defendants incorporate paragraphs 1-29 herein.
31. The District Court in and for Oklahoma County is the improper venue for this action.

32. Plaintiff fails to state a claim upon which relief may be granted.

33. Plaintiff has failed to join a necessary party to this litigation.

III. Affirmative Defenses

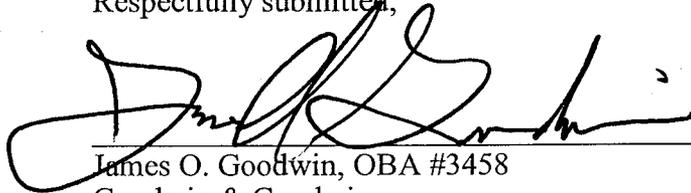
34. Defendants incorporate paragraphs 1-33 herein.

35. The contractual instruments at issue are not securities or are exempted from the terms of the Act.

WHEREFORE, Defendants respectfully pray that Plaintiff prayers for relief are denied in their entirety, this court enter judgment in favor of Defendants on all of Plaintiff's claims, and this court order any other relief deemed just, equitable, or necessary.

Dated: ~~23~~¹ July 2007.

Respectfully submitted,



James O. Goodwin, OBA #3458

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Attorney for Defendants

VERIFICATION OF DEFENDANTS' ANSWER TO PLAINTIFF'S PETITION

I affirm that I have read the above Answer to Plaintiff's Petition and the foregoing representations are true.



Travis R. Winnett, individually,
As Operator of American Liberty Insurance & Financial, and
As Chief Executive of LightHouse Marketing, Inc.

County of Tulsa)
) ss:
State of Oklahoma)

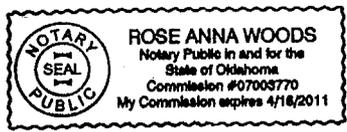
SUBSCRIBED AND SWORN TO before me this 23rd day of July, 2007.



NOTARY PUBLIC

My Commission Expires: 4/16/2011

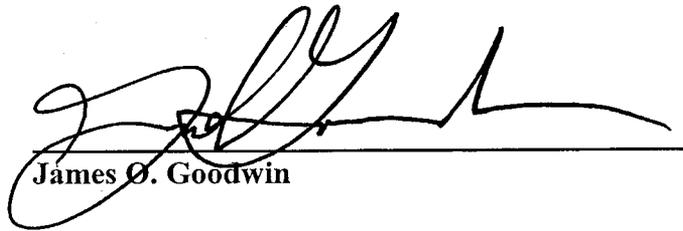
Commission No.: 07003770



CERTIFICATE OF MAILING

The undersigned does hereby certify that on 23rd July 2007, a true and correct copy of the above and foregoing Answer was mailed with sufficient postage thereon fully prepaid to:

Amanda Cornmesser, Esq.
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James O. Goodwin