

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

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Bothwell Consulting, LLC, an Oklahoma)
LLC; Lawrence G. Bothwell, an individual;)
Christopher S. VonWerder, an individual;)
and Tommy L. Richardson, an individual,)
)
Defendants,)
)
and)
)
Amy J. Richardson, an individual,)
)
Defendant Solely For)
Purposes of Equitable Relief.)

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

JUL 24 2009

PATRICIA PRESLEY, COURT CLERK

Case No. by _____
DEPUTY

CJ-2009-6989

**PETITION FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF**

COMES NOW the Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, ("Department"), and for its claims against the above-named Defendants, alleges and states as follows:

OVERVIEW

1. This case involves violations of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), by Defendants Bothwell Consulting, LLC, Lawrence G. Bothwell, Christopher S. VonWerder, and Tommy L. Richardson (collectively, "Defendants"). Specifically, the Department accuses Defendants of offering and

selling unregistered securities in violation of Section 1-301 of the Act, failing to register as agents in violation of Section 1-402 of the Act, employing unregistered agents in violation of Section 1-402 of the Act, and/or perpetrating a fraud in connection with the offer, sale or purchase of securities in violation of Section 1-501 of the Act.

JURISDICTION

2. The Administrator of the Department brings this action pursuant to Section 1-603 of the Act and is the proper party to bring this action against the Defendants.

3. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer, sale, and/or purchase of securities, are subject to the provisions of the Act. By virtue of their transaction of business by contract and otherwise and commission of other acts in this state, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

4. Defendants have engaged and are engaging in acts and practices in violation of the Act. Unless enjoined, they will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

DEFENDANTS

5. Bothwell Consulting, LLC (“Bothwell Consulting”) is an Oklahoma limited liability company, with purported business addresses in Oklahoma City, Oklahoma. The addresses identified by Bothwell Consulting as its addresses are actually The UPS Store located at 4 N.E. 10th Street and a parking lot located at 10 E. Main Street. At all times material hereto, Bothwell Consulting issued, offered and/or sold securities in and/or from Oklahoma as described herein. Such securities have not been registered under the Act or any predecessor act.

6. Lawrence G. Bothwell (“Bothwell”), an individual and Oklahoma resident, is “the Chairman”, the Chief Executive Officer, and the registered agent of Bothwell Consulting and controls all acts of Bothwell Consulting. At all times material hereto, Bothwell offered and/or sold securities in and/or from Oklahoma as described herein. Defendant Bothwell has not been registered under the Act in any capacity.

7. Since 2007, Bothwell has had multiple debt collection actions brought against him. Washington Mutual Bank and Deutsche Bank Trust Company have foreclosed on Bothwell’s properties. In addition, creditors, including the University of Oklahoma, have judgments against Bothwell for failure to pay his debts.

8. Christopher Von Werder (“VonWerder”), an individual and Oklahoma resident, offered and/or sold securities in and/or from Oklahoma on behalf of Bothwell Consulting as described herein. Defendant VonWerder has not been registered under the Act in any capacity.

9. Tommy L. Richardson (“T. Richardson”), an individual and Oklahoma resident, offered and/or sold securities in and/or from Oklahoma on behalf of Bothwell Consulting as described herein. Defendant T. Richardson was registered as an investment advisor representative between April 2005 and April 2008; however, he is not currently registered under the Act in any capacity.

RELIEF DEFENDANT

10. Relief Defendant Amy J. Richardson (“A. Richardson”), an individual and Oklahoma resident and the wife of Defendant T. Richardson, received, directly and/or indirectly, cash that is the proceeds, or is traceable to the proceeds, of the unlawful activities of Defendants described herein (“Investor Assets”).

NATURE OF THE CASE

11. Beginning as early as July 2007, and continuing to the present, Defendants have engaged in the issuance, offer and/or sale of an investment opportunity in and/or from the state of Oklahoma to investors (“Investors”), in the nature of a debenture (“Debenture”). Defendants promise investors a guaranteed annual rate of return of between 12% and 20% on the principal investment.

12. Investors sign an agreement (“Agreement”) provided by Bothwell Consulting. The Agreement maintains that Bothwell Consulting shall use the “Principle Investment” at its discretion and without influence from the Investor.

13. Defendants falsely represent that the Debentures are backed by Bothwell’s personal wealth.

14. Defendants have failed to deliver any offering materials or other similar documents to Investors.

15. In certain instances, Defendants are soliciting Investors who own Consec insurance policies that are maturing and for which the policyholders are entitled to a return of money. Defendants encourage Investors to take these Consec insurance policy funds and invest them in the Debentures. Investors are led to believe that they are investing their funds in a Consec product.

16. Investor funds have been deposited into accounts held at Oklahoma banks. Defendants have not invested the funds to generate the promised returns.

FIRST CAUSE OF ACTION **(Violation of Section 1-301 of the Act:** **Offer and/or Sale of Unregistered Securities)**

17. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 16 above.

18. The Debenture is a security as defined by Section 1-102 of the Act.

19. Defendants offered and sold the Debentures in and/or from Oklahoma.

20. The securities offered and sold by Defendants are not and have not been registered under the Act nor have the securities been offered or sold pursuant to an exemption from registration under Sections 1-201 through 1-203 of the Act.

21. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-301 of the Act.

SECOND CAUSE OF ACTION

(Violation of Section 1-402 of the Act: Failure to Register as Agents and Employing Unregistered Agents)

22. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding cause of action.

23. Bothwell Consulting is an issuer as defined in Section 1-102 of the Act.

24. Defendants Bothwell, VonWerder, and T. Richardson, by virtue of their efforts and activities in representing Bothwell Consulting in effecting or attempting to effect purchases or sales of its securities, are agents as defined in Section 1-102 of the Act.

25. Defendants Bothwell, VonWerder, and T. Richardson are not registered under the Act as agents. Defendants Bothwell, VonWerder, and T. Richardson transacted and are transacting business in this state as agents without benefit of registration under the Act.

26. Bothwell Consulting has employed and currently employs at least three unregistered agents.

27. By reason of the foregoing, Defendants have violated, are violating, and unless enjoined, will continue to violate Section 1-402 of the Act.

THIRD CAUSE OF ACTION

(Violation of Section 1-501 of the Act: Untrue Statements of Material Fact and Omissions of Material Fact in Connection With Offer, Sale or Purchase of Securities)

28. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

29. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, have made, and are making, untrue statements of material fact including, but not limited to, the following matters:

- a. that the Debentures are backed by Bothwell's personal wealth, and,
- b. Defendants would invest the Investors' funds in any manner to generate the promised returns.

30. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, omitted and are omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were and are made, not misleading, including, but not limited to, the following matters:

- a. any general or specific risk factors associated with an investment in the Debenture;
- b. that the Debenture is a security under the Act;
- c. that the Debenture has not been, and is not, registered under the Act;
- d. that the individuals who offered and sold the Debenture were not, and are not registered under the Act;
- e. that Bothwell Consulting employed at least three unregistered agents;

- f. that Bothwell Consulting has provided false and misleading addresses to Investors;
- g. that Defendants would not use Investor funds for the payment of personal expenses of the Defendants; and
- h. that the Debentures are backed by Bothwell's personal wealth, when multiple debt collection actions, including foreclosures, have resulted in uncollected judgments against Bothwell.

31. By reason of the foregoing, Defendants, directly and/or indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

FOURTH CAUSE OF ACTION

**(Violation of Section 1-501 of the Act:
Engaging in any Act, Practice, or Course of Business Which Operates or
Would Operate as a Fraud or Deceit upon any Person)**

32. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

33. Defendants, in connection with the offer, sale or purchase of securities, and through the misrepresentations and omissions of material fact described in paragraphs 29 and 30 above, have engaged and are engaging in an act, practice, or course of business that has operated and continues to operate as a fraud or deceit upon other persons.

34. By reason of the foregoing, Defendants, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

FIFTH CAUSE OF ACTION (Relief Defendant)

35. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

36. A. Richardson received, directly and/or indirectly, Investor Assets.

37. A. Richardson has received Investor Assets as part of and/or in furtherance of the securities violations alleged above. Under the circumstances, it is not just, equitable or conscionable for A. Richardson to retain the Investor Assets at the expense of Investors.

PRAYER FOR RELIEF

Defendants have engaged in acts and practices in violation of the Act and have, as a result of these activities, received a substantial amount of money from Investors. Unless enjoined, Defendants will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object. A danger exists that the money received by Defendants from the Investors or money or securities held by Defendants on behalf of the Investors will be lost, removed or transferred. A temporary restraining order to issue *instanter* and temporary and permanent injunctions to issue against Defendants are necessary to preserve the money received and money or securities held, to preserve the records relating thereto and to prevent further violations of the Act.

Relief Defendant A. Richardson received, directly and/or indirectly, Investor Assets. It is necessary to the equitable resolution of this case to require A. Richardson to disgorge her profits for the benefit of Investors. A danger exists that such Investor Assets will be lost, removed or transferred.

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 1-603 of the Act, the Department prays for the court to grant the following relief:

I.

A temporary restraining order to issue *instanter* and temporary and permanent injunctions, restraining and enjoining the Defendants, their agents, servants, employees, assigns

and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the restraining order or temporary and/or permanent injunctions, by personal service, facsimile or otherwise, and each of them from offering and selling any security in and/or from this state including, but not limited to, the Debentures;

II.

An order *instanter* prohibiting Defendants and the Relief Defendant, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the order, by personal service, facsimile or otherwise, and each of them from tampering with, mutilating, altering, fabricating, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to Defendants, Relief Defendant and/or the Debentures;

III.

An order *instanter* freezing the assets of Defendants and Relief Defendant and ordering that all banks, depository institutions, brokerage firms, or other financial institutions comply with the Court's order;

IV.

An order *instanter* prohibiting Defendants and Relief Defendant, their agents, servants, employees, assigns and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the order, by personal service, facsimile or otherwise, and each of them from directly or

indirectly, transferring, withdrawing, concealing, removing, destroying, or otherwise disposing of any and all assets.

V.

An order requiring Defendants to make restitution to any and all Investors who purchased securities from Defendants or who transferred money to Defendants for the purpose of investing in the Debentures or otherwise making investments on their behalf;

VI.

An order requiring Defendants and Relief Defendant, their agents, servants, employees, assigns, and all persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, to disgorge all ill-gotten gains;

VII.

An order imposing a civil penalty against Defendants in the amount of Fifty Thousand Dollars (\$50,000.00) each; and

VIII.

Such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES
Irving L. Faught, Administrator

By:



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