

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

NOV 27 2013

TIM RHODES  
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IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )  
  
Plaintiff, )  
  
v. )  
  
McKroll Capital International LLC, an )  
Oklahoma limited liability company, )  
Carl C. McKittrick II, an individual, )  
and Carl McKittrick, an individual, )  
  
Defendants. )

Case No.

CJ - 2013 - 6552

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

Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, (Department), 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 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), by McKroll Capital International LLC, Carl C. McKittrick II, and Carl C. McKittrick (collectively, "Defendants"). Specifically, the Department accuses Defendants of issuing, offering and selling unregistered securities in violation of Section 1-301 of the Act, acting as or 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 and/or sale of securities in and/or from this state, are subject to the provisions of the Act. By virtue of their activities in this state, as described herein, Defendants are subject to the jurisdiction of this Court and to service of summons within this state and outside of this state.

4. Venue is proper in this county.

## DEFENDANTS

5. McKroll Capital International LLC (McKroll Capital), an Oklahoma limited liability company, is located in Broken Arrow, Oklahoma. At all times material hereto, McKroll Capital issued, offered and/or sold securities in and/or from the state of Oklahoma as described herein. McKroll Capital has not been registered in any capacity under the Act.

6. Carl C. McKittrick II (McKittrick II) is an individual residing in the state of Oklahoma. At all times material hereto, McKittrick II was designated as a "Managing Partner" of McKroll Capital. At all times material hereto, McKittrick II offered and/or sold securities in and/or from the state of Oklahoma as described herein. McKittrick II has not been registered in any capacity under the Act.

7. Carl C. McKittrick (McKittrick) is an individual residing in the state of Oklahoma and the father of McKittrick II. At all times material hereto, McKittrick offered and/or sold securities in and/or from the state of Oklahoma as described herein. McKittrick has not been registered in any capacity under the Act.

### OTHER RELEVANT PERSONS

8. Ron Rollins is an individual and Oklahoma resident. At times material hereto, Rollins was designated as a "Managing Partner" of McKroll Capital.

9. Daniel J. Ross (Dan Ross) is an individual believed to be residing in the state of California who, at all times material hereto, did business as Quest Investigative Resources, LLC (Quest), a California limited liability company. Quest and McKroll Capital had an arrangement whereby McKroll Capital was to provide Four Hundred Thousand Dollars (\$400,000) in initial seed capital to Quest in order to receive funding in the amount of Five Million Dollars (\$5,000,000).

10. Complete Escrow Services Corporation (Complete Escrow), a Nevada corporation, at all times material hereto, acted in the capacity of a purported escrow company on behalf of Quest.

### NATURE OF THE CASE

11. McKroll Capital is purportedly engaged in the business of providing funding and development services to businesses and entrepreneurs.

12. Between June 1, 2010 and March 31, 2011, Defendants engaged in the issuance, offer, and/or sale of securities in and/or from the state of Oklahoma to investors (Investors). Such securities were in the nature of a promissory note (Note) and four (4) loan agreements (Agreements).

13. A Note in the amount of Fifteen Thousand Dollars (\$15,000), dated June 14, 2010, was issued by McKroll Capital to an Oklahoma Investor. Under the terms of the Note, the Oklahoma Investor was to be paid Nineteen Thousand Five Hundred Dollars (\$19,500) when the Note matured on November 14, 2010.

14. An Agreement was entered on or about March 1, 2011, between a second Oklahoma Investor and McKroll Capital. The Agreement provided that in exchange for Ten Thousand Dollars (\$10,000), the Oklahoma Investor would receive Fifteen Thousand Dollars (\$15,000). The funds provided were to be used by Defendants as "capital." Payment was due to the Oklahoma Investor pursuant to the Agreement on June 1, 2011. Defendants presented the Oklahoma Investor with a check dated June 17, 2011, for Fifteen Thousand Three Hundred Dollars (\$15,300); however, Defendants asked the Oklahoma Investor to enter into a separate agreement requiring the Oklahoma Investor to obtain permission from McKroll Capital to cash and/or deposit the check. The Oklahoma Investor attempted to cash the check but it would not clear because there were insufficient funds available in the account.

15. On or about March 2, 2011, an Agreement was entered between a Texas Investor and McKroll Capital. The Agreement provided that in exchange for Thirty-Five Thousand Dollars (\$35,000), the Texas Investor would receive Seventy Thousand Dollars (\$70,000) on May 2, 2011. The funds were to be used by Defendants for "Capital."

16. An Agreement was entered on or about March 21, 2011, between the first Oklahoma Investor and McKroll Capital. The Agreement provided that in exchange for One Hundred Twenty Thousand Dollars (\$120,000), the Oklahoma Investor would receive Two Hundred and Fifty-One Thousand Dollars (\$251,000) on May 23, 2011. The funds were to be used by Defendants for "Seed Capital." This Oklahoma Investor was told by Defendants McKittrick and McKittrick II that the investment was one hundred percent (100%) safe. The Oklahoma Investor used funds from her profit sharing plan to invest with Defendants and was charged an early withdrawal penalty of Eleven Thousand Dollars (\$11,000). Defendant

McKittrick II represented to this Oklahoma Investor that he would pay the penalty amount incurred but did not.

17. A March 22, 2011, an Agreement was entered between a third Oklahoma Investor and McKroll Capital. The Agreement provided that in exchange for Three Hundred and Fifty Thousand Dollars (\$350,000), the Oklahoma Investor would receive the return of the principal amount of his investment within thirty (30) business days. The funds, which were submitted directly by the Oklahoma Investor to Complete Escrow, were to be used to “pay [the] fee for a Small Business Line of Credit.” If the principal was not returned by day thirty-one (31), the return would be doubled to Seven Hundred Thousand Dollars (\$700,000). If the principal was not returned by day seventy-five (75), McKroll Capital was to pay the Oklahoma Investor Three Hundred and Fifty Thousand Dollars (\$350,000), and assume over One Million Dollars (\$1,000,000) in debts owed by the Oklahoma Investor.

18. Defendants made representations to Investors that all of their investment proceeds would be escrowed with Complete Escrow. As shown below, only \$33,000 of the One Hundred Eighty Thousand Dollars (\$180,000) in proceeds was transferred by Defendants to Complete Escrow.

19. Defendants McKittrick II and McKroll Capital deposited Investor funds into a McKroll Capital account controlled by Defendant McKittrick II and used such proceeds to make the following expenditures:

Transfer to Complete Escrow Services Corporation	\$33,000
Repayment of loan on behalf of Teresa McKittrick, wife of McKittrick and mother of McKittrick II	\$12,000
Salary of Ron Rollins	\$13,350

Purchase of a convertible debenture from Timothy Paul Hamilton, Jr. and The Clean Athlete, LLC	\$25,000
Payment to Lofty Heights Design, an entity owned by Dan Ross' spouse	\$20,000
Purchase of ownership interest in entity controlled by a Dave Martinelli	\$13,000
Payment to Thomas Marine Dockside, LLC in return for ownership interest	\$18,500
Payment to Intellimesh Systems, Inc. in return for ownership interest	\$19,000
Personal expenses of McKittrick and/or McKittrick II	\$26,150

20. Investors have not received the return of their principal investments, the promised profits, and/or the assumption of personal debts.

21. Complete Escrow will not provide any information to confirm the transfer of Investor funds to Quest and/or Dan Ross. Quest and/or Dan Ross will not provide any information regarding the use of Investor funds transferred from Complete Escrow, if any.

22. In connection with the offer and/or sale of the Note and Agreements, Defendants omitted to state the following:

- a. any general or specific risk factors associated with the Note or Agreements; and
- b. that Defendants would use Investor funds for the payment of personal and business expenses.

23. Neither the Note nor the Agreements were registered in any capacity under the Act at any time material hereto.

**VIOLATIONS OF THE ACT**

**FIRST CAUSE OF ACTION**

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

24. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 23 above.

25. The Note is a security as defined by Section 1-102 of the Act.

26. The Agreements are securities as defined by Section 1-102 of the Act.

27. Defendants offered and sold the Note in and/or from Oklahoma.

28. Defendants offered and sold the Agreements in and/or from Oklahoma.

29. The Note and Agreements offered and sold by Defendants are not and have not been registered under Section 1-301 of the Act.

30. By reason of the foregoing, the Defendants have violated, 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)**

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

32. McKroll Capital is an issuer as defined in Section 1-102 of the Act.

33. Defendants McKittrick II and McKittrick, by virtue of their efforts and activities in transacting business in and/or from this state, are agents, as defined in Section 1-102 of the Act. Defendants McKittrick II and McKittrick transacted business in and/or from this state as agents without benefit of registration under the Act.

34. McKroll Capital employed at least two unregistered agents.

35. By reason of the foregoing, Defendants have violated, 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**  
**in Connection With Offer, Sale or Purchase of Securities)**

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

37. Defendants, in connection with the offer and/or sale of securities, directly and indirectly, made untrue statements of material fact or omitted to state material facts necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading.

38. By reason of the foregoing, Defendants, directly and/or indirectly, have violated, 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)**

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

40. Defendants, in connection with the offer, sale or purchase of securities, and through the misrepresentations and omissions of material fact described herein, have engaged in an act, practice, or course of business that has operated as a fraud or deceit upon other persons.

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

## PRAAYER 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.

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 permanent injunction enjoining Defendants from transacting business in and/or from the state of Oklahoma as an issuer, issuer agent, broker-dealer, broker-dealer agent, investment adviser, and/or investment adviser representative or otherwise offering and/or selling securities in and/or from the state of Oklahoma;

### II.

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 making investments on their behalf;

### III.

an order requiring Defendants, 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;

### IV.

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

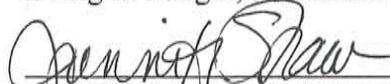
V.

such other 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:



Jennifer Shaw, OBA #20839  
Patricia Labarthe OBA #10391  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
Telephone (405) 280-7700  
Fax (405) 280-7742  
[jshaw@securities.ok.gov](mailto:jshaw@securities.ok.gov)  
[plabarthe@securities.ok.gov](mailto:plabarthe@securities.ok.gov)

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OUR FIRM FILE NUMBER:

Client: OKLAHOMA STATE DEPT. OF SECURITIES

County: Oklahoma

Case Number: CJ-2013-6552

OKLAHOMA DEPARTMENT OF SECURITIES, ET AL. -

Plaintiff(s)

vs

MCKROLL CAPITAL INTERNATIONAL LLC., ET AL., -

Defendant(s)

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY  
JAN - 6 2014  
TIM RHODES  
COURT CLERK

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Date Served: 12/8/2013 5:04:00 PM

Served By: PATRICIA MASKER (PS-2012-6)

County of Origin: Oklahoma

### Proof of Service

Case Number: CJ-2013-6552

DOCUMENTS SERVED: I, being duly sworn, certify that I received the forgoing, to wit:

\*Summons with Petition

**METHOD OF SERVICE:**

And served the same according to the law in the following manner, to wit:

Personal Service

by delivering a true copy of said process personally to CARL MCKITTRICK II at 22561 E. 161ST STREET S, COWETA, OK 74429. Date and Time: 12/8/2013 5:04:00 PM

Other Information:

Subscribed and sworn to before me this

8 day of Dec 2013

Dante S. Sanders 4-2015  
Notary Public Commission Exp. 11003756  
(SEAL)

Undersigned declares under penalty of perjury that the foregoing is true and correct.

Patricia Masker 12-8-13  
Name of Server PS 12-6 (date)

2d2

OUR FIRM FILE NUMBER:

Client: OKLAHOMA STATE DEPT. OF SECURITIES

County: Oklahoma

Case Number: CJ-2013-6552

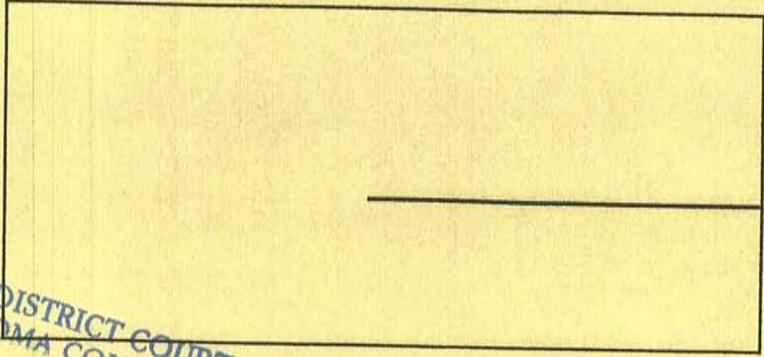
OKLAHOMA DEPARTMENT OF SECURITIES EX REL. IRVING L - Plaintiff(s)

vs

MCKROLL CAPITAL INTERNATIONAL LLC. ET AL. - Defendant(s)

Date Served: 12/8/2013 5:04:00 PM

Served By: PATRICIA MASKER (PS-2012-6)



FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

JAN - 6 2014

TIM R...  
CLERK  
**Proof of Service**

County of Origin: Oklahoma

Case Number: CJ-2013-6552

DOCUMENTS SERVED: I, being duly sworn, certify that I received the forgoing, to wit:

\*Summons with Petition

**METHOD OF SERVICE:**

And served the same according to the law in the following manner, to wit:

Usual Place of Residence

by leaving a copy of said process for CARL C. MCKITTRICK SR. with CARL MCKITTRICK II (SON) a resident/family member, fifteen years of age or older at 22561 E. 161ST STREET S , COWETA, OK 74429 which is his/her usual place of residence. Date and Time: 12/8/2013 5:04:00 PM

Other Information:

Subscribed and sworn to before me this

8 day of Dec 2013

Dante Landino 4-2015  
Notary Public Commission Exp.  
(SEAL) 11003756

Undersigned declares under penalty of perjury that the foregoing is true and correct.

Patricia Masker 12-8-13  
Name of Server PS 12-6 (date)

OUR FIRM FILE NUMBER:

Client: OKLAHOMA STATE DEPT. OF SECURITIES County: Oklahoma

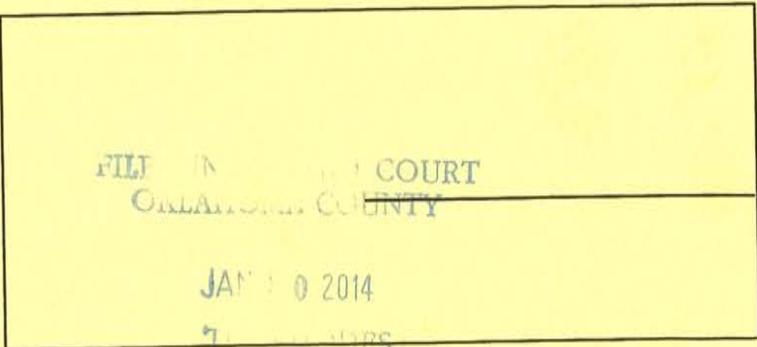
Case Number: CJ-2013-6552

**OKLAHOMA DEPARTMENT OF SECURITIES EX REL.**  
**IRVING L - Plaintiff(s)**  
**vs**

**MCKROLL CAPITAL INTERNATIONAL LLC. -**  
**Defendant(s)**

Date Served: 1/25/2014 6:00:00 PM

Served By: PATRICIA MASKER (PS-2012-6)



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COUNTY CLERK  
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County of Origin: Oklahoma

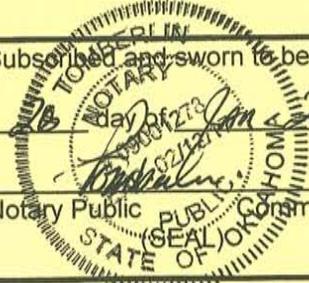
### Proof of Service

Case Number: CJ-2013-6552

<p><b>DOCUMENTS SERVED:</b> I, being duly sworn, certify that I received the forgoing, to wit:</p> <p>*Alias Summons with Petition</p>	<p><b>METHOD OF SERVICE:</b> And served the same according to the law in the following manner, to wit:</p> <p>Personal Service      by delivering a true copy of said process personally to MCKROLL CAPITAL INTERNATIONAL LLC., C/O CARL MCKITTRICK (REGISTERED AGENT) at 22561 E. 161ST STREET S, COWETA, OK 74429. Date and Time: 1/25/2014 6:00:00 PM</p> <p>Other Information:</p>
--	--

Subscribed and sworn to before me this

25 day of Jan 2014  
Patricia Masker  
Notary Public      Commission Exp.



Undersigned declares under penalty of perjury that the foregoing is true and correct.

Patricia Masker      1/26/2014  
Name of Server      (date)