

**STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102**

In The Matter Of:

**Chemical Trust
931 Village Blvd., #905-199
West Palm Beach, FL 33409**

and

**Clifton Wilkinson
8170 Jarrett Manor Estates
Toccoa, GA 30577**

and

**United Marketing Trust
4126 Pleasant Dale Rd. #B-207
Atlanta, GA 30340**

Respondents.

ODS File 00-020

**FINAL ORDER TO CEASE AND DESIST
AND IMPOSING CIVIL PENALTY
AGAINST CHEMICAL TRUST, CLIFTON WILKINSON
AND UNITED MARKETING TRUST**

On October 26, 1999, the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") was served with a Recommendation to the Administrator to Issue Final Order to Cease and Desist and Imposing Civil Penalty against Chemical Trust ("Chemical Trust"), Clifton Wilkinson ("Wilkinson") and United Marketing Trust ("United Marketing") (the "Recommendation") pursuant to Section 406 of the Oklahoma Securities Act ("Act"), Okla. Stat. tit. 71 §§ 1-413, 501, 701-703 (1991 and Supp. 1998), *as amended*, at 1999 Okla. Sess. Law Serv. 109 (West).

On October 26, 1999, the Administrator gave notice to Chemical Trust, Wilkinson and United Marketing (collectively "Respondents") of their right to request a hearing to show why a final order based on the Recommendation should not be issued. A Notice of Opportunity for Hearing ("Notice") with the Recommendation attached was mailed to Respondents by certified mail, return receipt requested and delivery restricted

to the addressee pursuant to Section 413 of the Act. The service effected on the Administrator pursuant to Section 413 of the Act constitutes valid personal service as to Respondents.

Service of the Notice with the Recommendation attached was also effected by the certified mailing as evidenced by return receipts bearing Wilkinson's signature at the address listed above as well as signatures at the principal place of business for United Marketing listed above.

Respondents failed to request a hearing within the time limit specified by the Notice and otherwise failed to respond to the Notice. The Notice specifies that failure to request a hearing within the specified time limit will result in the issuance of a final order to cease and desist against Respondents and the imposition of a civil penalty of Twenty Thousand Dollars (\$20,000.00) against each Respondent.

The Administrator, being fully advised in the premises, hereby finds that this action is necessary and appropriate in the public interest and sets forth the following Findings of Fact, Authorities and Conclusions of Law.

FINDINGS OF FACT

1. At all times material hereto, Chemical Trust is described in sales literature as a contract trust with a last known mailing address of 931 Village Boulevard, Suite 905-199, West Palm Beach, Florida 33409.

2. At all times material hereto, Wilkinson is described as the Chemical Trust "Trustee."

3. At all times material hereto, United Marketing is described in sales literature as handling all public relations and marketing for Chemical Trust.

4. Beginning in or about July, 1999, Respondents began to offer what is described in sales literature as "guaranteed contracts" (the "Guaranteed Contracts") to residents of the state of Oklahoma.

5. Sales literature used in connection with the offer of the Guaranteed Contracts describe the contracts as: "debt obligations of the Trust [Chemical Trust]. You as an investor are loaning money to the Trust. The Trust typically borrows money from the investing public to fund specific projects in which alternative forms of financing would be less desirable."

6. Respondents recruited individuals, who were residents of the state of Oklahoma, to offer the Guaranteed Contracts in and/or from the state of Oklahoma.

7. Salespersons and sales literature used in connection with the offer of the Guaranteed Contracts omitted to state any general or specific risk factors associated with the purchase of the Guaranteed Contracts.

8. Salespersons and sales literature used in connection with the offer of the Guaranteed Contracts omitted to state a description of the trust to be receiving investor funds.

9. Salespersons and sales literature used in connection with the offer of the Guaranteed Contracts omitted to state the background and/or business experience of the officers and control persons of the trust issuing the Guaranteed Contracts.

10. The Guaranteed Contracts offered and sold by Respondents were not registered under the Act.

11. Respondent United Marketing is not registered as a broker-dealer under the Act.

AUTHORITIES

1. Section 2 of the Act provides in pertinent part:

(e) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account.

* * *

(v) "Security" means any:

* * *

(1) note;

* * *

(6) evidence of indebtedness;

* * *

(11) investment contract[.]

2. Section 101 of the Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

(1) to employ any device, scheme, or artifice to defraud,

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading,

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

3. Section 201 of the Act provides in part:

(a) (1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.

4. Section 301 of the Act provides:

It is unlawful for any person to offer or sell any security in this state unless:

(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or

(2) it is a federal covered security.

5. Section 405 of the Act provides in part:

(a) The Administrator in his discretion:

(1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder[.]

6. Section 406 of the Act provides in part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this

title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

(1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof;

* * *

(5) issue an order against a person who willfully violates the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act, imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for multiple violations or transactions in a single proceeding or a series of related proceedings.

CONCLUSIONS OF LAW

1. The Guaranteed Contracts offered by Respondents are securities as defined in Section 2(v) of the Act.

2. Respondents violated Section 101 of the Act by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

3. Respondent United Marketing violated Section 201 of the Act by transacting business in this state as a broker-dealer without first being registered under the Act.

4. Respondents violated Section 301 of the Act by offering and/or selling securities in this state that were not registered under the Act.

5. The Administrator of the Department has the authority, under Section 406(a)(1) of the Act, to order Respondents to cease and desist from engaging in any violation of the Act or the Rules or doing any act in furtherance thereof.

6. The Administrator of the Department has the authority, under Section 406(a)(5) of the Act, to impose a civil penalty against Respondents for violations of the Act.

7. It is in the public interest to order Respondents to cease and desist from engaging in violations of Sections 101, 201 and 301 of the Act and to impose a civil penalty.

ORDER

IT IS HEREBY ORDERED that Chemical Trust cease and desist from engaging in any violation of Sections 101 and 301 of the Act.

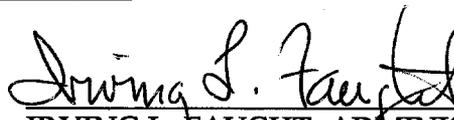
IT IS FURTHER ORDERED that Wilkinson cease and desist from engaging in any violation of Sections 101 and 301 of the Act.

IT IS FURTHER ORDERED that United Marketing cease and desist from engaging in any violation of Sections 101, 201 and 301 of the Act.

IT IS FURTHER ORDERED, that each Respondent pay a civil penalty to the Department in the amount of Twenty Thousand Dollars (\$20,000.00).

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 19 day of November, 1999.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 19 day of November, 1999, a true and correct copy of the above and foregoing Final Order to Cease and Desist and Imposing a Civil Penalty against Chemical Trust, Clifton Wilkinson and United Marketing Trust was mailed by certified mail, return receipt requested, delivery restricted to addressee, with postage prepaid thereon addressed to:

Chemical Trust
931 Village Blvd., #905-199
West Palm Beach, FL 33409

and

Clifton Wilkinson
8170 Jarrett Manor Estates
Toccoa, GA 30577

and

United Marketing Trust
4126 Pleasant Dale Rd. #B-207
Atlanta, GA 30340

Brenda S. London