

IN THE DISTRICT COURT OF POTTAWATOMIE COUNTY
STATE OF OKLAHOMA

FILED
IN DISTRICT COURT
FEB - 3 2004
POTTAWATOMIE COUNTY, OK
CECIL DUNLAP, COURT CLERK
BY _____ DEPUTY

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

v.)

Case No. C-03-1239

The Hickman Agency, Inc., an Oklahoma)
corporation; Merl William Hickman, Sr.,)
an individual; Sarah L. Hickman,)
an individual; and Merl William)
Hickman, Jr., an individual,)
)
Defendants,)

and)

Stephanie Hickman Matthews, an individual;))
Angela Friguletto, an individual; Peter)
Friguletto, an individual; Sandra Friguletto,)
an individual; and Christy Hickman,)
an individual,)
)
Defendants Solely For)
Purposes of Equitable Relief.)

FIRST AMENDMENT TO PETITION FOR PERMANENT INJUNCTION

AND OTHER EQUITABLE RELIEF

Plaintiff, Oklahoma Department of Securities *ex rel.* Irving L. Faught, Administrator
realleges and incorporates by reference the allegations and causes of action cited in Paragraphs 1
through 29 of the Petition for Permanent Injunction and Other Equitable Relief filed herein
("Petition"), and further alleges and states as follows:

OVERVIEW

1. This case involves violations of the Oklahoma Securities Act (the "Act"), Okla. Stat. Ann. tit. 71, §§ 1-413, 501, 701-703 (West 2004), by The Hickman Agency, Inc., Merl William Hickman, Sr., Sarah L. Hickman and Merl William Hickman, Jr. ("Defendants"). Specifically, the Department alleged in its Petition that Defendants offered and sold unregistered securities in violation of Section 301 of the Act, failed to register as agents and/or employed unregistered agents in violation of Section 201 of the Act, and perpetrated fraud in connection with the offer, sale or purchase of securities in violation of Section 101 of the Act.

2. As alleged in the Petition, Defendants operated a "ponzi" scheme. The term "ponzi scheme" refers to an investment scheme whereby returns to investors are financed, not through the success of an underlying business venture, but from the principal sums of newly attracted investors. Typically, investors are promised large returns for their investments. Initial investors are actually paid the promised returns, attracting additional investors who lose their principal when the scheme eventually collapses.

JURISDICTION

3. Stephanie Hickman Matthews, Angela Friguletto, Peter Friguletto, Sandra Friguletto, and Christy Hickman (collectively, "Relief Defendants"), received cash and other property and/or control property that are the proceeds, or are traceable to the proceeds, of the unlawful activities of Defendants, as alleged in paragraphs 1 and 2 above and in Paragraphs 1 through 29 of the Petition (collectively, "Investor Assets").

RELIEF DEFENDANTS

4. Stephanie Hickman Matthews, an individual and Oklahoma resident, is the daughter of Merl William Hickman, Sr. ("Bill Hickman, Sr.") and Sarah L. Hickman ("Sarah

Hickman"). Stephanie Hickman Matthews received large amounts of money and property from Defendants.

5. Angela Friguletto, an individual and Illinois resident, is the daughter of Bill Hickman, Sr. and Sarah Hickman. Angela Friguletto received large amounts of money and property from Defendants.

6. Peter Friguletto, an individual and Illinois resident, is the son-in-law of Bill Hickman, Sr. and Sarah Hickman. Peter Friguletto received large amounts of money and property from Defendants.

7. Sandra Friguletto, an individual and Illinois resident, is the mother of Peter Friguletto and the mother-in-law of Angela Friguletto. Sandra Friguletto received large amounts of money from Defendants.

8. Christy Hickman, an individual and Oklahoma resident, is the wife of Merl William Hickman, Jr. Christy Hickman received large amounts of money and property from Defendants.

NATURE OF THE CASE

9. Beginning in or about April, 1999, and continuing to the present, Relief Defendants received Investor Assets from Defendants in the nature of purported salaries, jewelry, vehicles, loans, and cash for living and/or other expenses.

FIRST CAUSE OF ACTION AGAINST RELIEF DEFENDANTS

10. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 9 above. Plaintiff realleges and incorporates by reference each and every allegation and cause of action cited in Paragraphs 1 through 29 of the Petition.

11. Relief Defendants have received Investor Assets from one or more of the Defendants.

12. Relief Defendants have received or hold the Investor Assets as part of and in furtherance of the securities violations alleged in paragraphs 1 through 9 above and in Paragraphs 1 through 29 of the Petition. Under the circumstances, it is not just, equitable or conscionable for Relief Defendants to retain the Investor Assets. As a result, Relief Defendants have been unjustly enriched.

PRAYER FOR RELIEF

Relief Defendants received a substantial amount of Investor Assets. A danger exists that such Investor Assets will be lost, removed or transferred. An order to issue *instanter* against Relief Defendants is necessary to preserve the Investor Assets, and the records relating thereto, and to prevent further violations of the Act.

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 406.1 of the Act, the Department prays for the court to grant the following relief:

I.

An order prohibiting Relief Defendants, 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, 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 Investor Assets;

II.

An order *instanter* freezing Investor Assets received or held by Relief Defendants and ordering that all financial or depository institutions comply with the Court's order;

III.

An order *instanter* empowering the Receiver, Stephen J. Moriarty, to marshal and take possession of the Investor Assets received or held by Relief Defendants, and to undertake whatever manner of legal or equitable action is required to preserve or maintain the Investor Assets received or held by Relief Defendants; and to operate or liquidate the Investor Assets received or held by Relief Defendants, as equity may require;

IV.

An order *instanter* requiring Relief Defendants to file with this Court and to serve on Plaintiff, within ten (10) days of the filing of this amendment to the Petition, an accounting, under oath, detailing all Investor Assets received or held by Relief Defendants, and detailing the disposition and/or use of those Investor Assets;

V.

An order requiring Relief Defendants to make restitution to any and all Investors from whom Investor Assets were received or held by Relief Defendants;

VI.

An order requiring Relief Defendants, 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 any and all Investor Assets received or held by Relief Defendants, for which the Relief Defendants gave little or no consideration, or to which the Relief Defendants have no legitimate claim; and

VII.

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

Respectfully submitted,

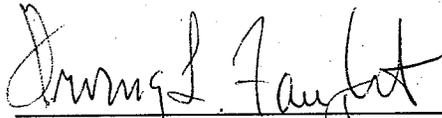
OKLAHOMA DEPARTMENT OF SECURITIES
Irving L. Faught, Administrator

By: *Patricia A. Labarthe*
Patricia A. Labarthe (OBA #10391)
Melanie Hall (OBA #1209)
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) SS.

Irving Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing First Amendment to Petition for Permanent Injunction and Other Equitable Relief and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information and belief.

(SEAL)



Irving L. Faught, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 3rd day of February, 2004.

(NOTARIAL SEAL)



Notary Public

My Commission Expires:

August 26, 2005
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