

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



In the Matter of:

Strategic Development Corp, et al.,

Respondent.

ODS File No. 12-005

**OKLAHOMA DEPARTMENT OF SECURITIES' RESPONSE TO
MOTION TO QUASH SUBPOENAS DUCES TECUM**

On August 16, 2012, the Oklahoma Department of Securities (Department) issued a Subpoena Duces Tecum (Subpoena) to Spirit Bank for the production of financial records relating to the bank accounts of Ameracorp Capital Group Corporation, Stephen Dean Holsey and Dalton E. Beck. On August 16, 2012, the Department also issued a Subpoena to Arvest Bank for the production of financial records relating to the bank accounts of The Free Enterprise Foundation, Inc., Stephen Dean Holsey and Dalton E. Beck. Ameracorp Capital Group Corporation, The Free Enterprise Foundation, Inc., Stephen Dean Holsey and Dalton E. Beck were provided notice of the Subpoenas pursuant to the requirements of the Oklahoma Financial Privacy Act (Financial Privacy Act), Okla. Stat. tit. 6, §§ 2201 *et. seq.* (2011). See Exhibits "A" and "B".

On September 12, 2012, Kent S. Ghahremani, attorney for Ameracorp Capital Group Corporation and The Free Enterprise Foundation, Inc., faxed to the Department a *Motion to Quash Subpoena Duces Tecum, Objection to Jurisdiction and Request for Hearing* (Motion to Quash).

The Enforcement Division (Division) of the Department presents the following reasons that the Motion to Quash should be denied:

1. Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Administrator of the Department may make such public or private investigations within this state as he deems necessary or appropriate to determine whether any person has violated or is about to violate any provision of the Act or any rule or order thereunder.

2. Pursuant to Section 1-602 of the Act, the Administrator of the Department may require the production of any records the Administrator considers relevant or material to an investigation.

3. The Division of the Department has been conducting an investigation of Strategic Development Corporation, Stephen Dean Holsey and Dalton E. Beck (Respondents) and has a need to review the records subpoenaed from Spirit Bank and Arvest Bank to determine whether Strategic Development Corporation, Stephen Dean Holsey and Dalton E. Beck have engaged in violations of the Act. The Subpoenas are based on a review by the Division of transactions among bank accounts of Respondents previously subpoenaed by the Division from Bank of America and American Heritage Bank and bank accounts of Ameracorp Capital Group Corporation, The Free Enterprise Foundation, Inc., Stephen Dean Holsey and Dalton E. Beck at Spirit Bank and Arvest Bank.

4. The financial records requested by the Department's Subpoenas are relevant and material to the purpose of the Department's investigation into alleged violations of the Act by Respondents.

5. The Department has complied with the Financial Privacy Act in the issuance of the Subpoenas.

6. Respondents' Motion to Quash was received by the Department more than fourteen (14) days after service of the Subpoenas on Respondents and was thus out of compliance with the Financial Privacy Act.

7. The Subpoenas require no production of records by Respondents. Therefore, Respondents will incur no hardship or unreasonable burden in connection with the response to the Subpoenas by Spirit Bank or Arvest Bank.

8. Pursuant to Section 1-607 of the Act, and 660:2-7-3(h) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, the records submitted in response to the Subpoenas shall be kept confidential and not made available to the public unless in connection with a civil or administrative action or proceeding. Therefore, Respondents will not incur a hardship or burden in connection with the release of the financial records to the Department by Spirit Bank or Arvest Bank.

WHEREFORE, the Division requests that Respondents' Motion to Quash be denied.

Respectfully submitted,



Patricia A. Labarthe, OBA #10391
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700
plabarthe@securities.ok.gov

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 26th day of September, 2012, a true and correct copy of the above and foregoing was mailed, with postage prepaid thereon, addressed to:

Kent S. Ghahremani
207 North Oak Street, Suite One
Sallisaw, OK 74955

Brenda London
Brenda London, Paralegal