

IN THE DISTRICT COURT OF TULSA COUNTY

STATE OF OKLAHOMA

Oklahoma Department of Securities)
ex rel. Irving L. Faught, Administrator,)
))
Plaintiff,)
))
v.))
))
James Van Pruitt,)
))
Defendant.)

Case No.

**DISTRICT COURT
FILED
MAY 09 2001
SALLY HOWE SMITH, COURT CLERK
STATE OF OKLA. TULSA COUNTY
CJ 2001 02563**

PETITION FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF

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

OVERVIEW

1. This case involves the offer and sale of unregistered securities in and/or from the state of Oklahoma in violation of Section 301 of the Oklahoma Securities Act (the "Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 and Supp. 2000). In addition, the Defendant acted as an agent in the state of Oklahoma without benefit of registration in violation of Section 201 of the Act.

JURISDICTION

2. The Administrator of the Department brings this action pursuant to Section 406.1 of the Act and is the proper party to bring this action against the Defendant.

3. Pursuant to Sections 2 and 413 of the Act, Defendant, in connection with his activities and the offer and sale of securities, is subject to the provisions of the Act. By virtue of his transaction of business by contract and otherwise and commission of other acts in this state, Defendant is subject to the jurisdiction of this Court and to service of summons within or outside of this state.

4. Defendant has engaged in acts and practices in violation of the Act. Unless enjoined, Defendant will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

DEFENDANT

5. James Van Pruitt ("Pruitt") is an individual who, at all times material hereto, was a resident of Oklahoma doing the acts complained of in his own name and/or in the name of "Senior Planning Center" and/or in the name of a trust established and controlled by him. Pruitt is designated as the beneficiary of said trust.

NATURE OF THE CASE

A. The International Golf Group, Inc. Promissory Notes

6. Beginning in or about May 1996, International Golf Group, Inc. ("IGG") began to offer and sell certain promissory notes (the "Notes") to the public.

7. At all times material hereto, IGG is described in sales literature as a Delaware corporation, with its principal office in St. Petersburg, Florida. IGG is described in sales literature as engaged in the business of developing and marketing certain golf related equipment and merchandise.

8. The Notes are described in sales literature as issued by IGG to ". . . assist the company in its long term strategy for success. It is the intent of the company to raise Three Million Dollars (\$3,000,000) for the purchase of inventories for its affiliated companies."

9. Beginning in or about August 1996, Defendant began to offer and sell the Notes on behalf of IGG to residents of Oklahoma.

10. At least one Oklahoma investor who purchased a Note from Defendant is retired and elderly. To date, she has not received any interest payments from IGG nor has the principal amount of her investment been returned.

B. The Chemical Trust Guaranteed Contracts

11. At all times material hereto, Chemical Trust a/k/a Alliance Trust ("Chemical Trust") is described in sales literature as a contract trust with a mailing address of 931 Village Boulevard, Suite 905-199, West Palm Beach, Florida 33409.

12. At all times material hereto, Clifton Wilkinson ("Wilkinson") is described as the Chemical Trust "Trustee."

13. Beginning in or about July 1999, Chemical Trust and Wilkinson began to offer what are described in sales literature as "guaranteed contracts" (the "Guaranteed Contracts") to residents of the state of Oklahoma.

14. Sales literature used in connection with the offer of the Guaranteed Contracts describes 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."

15. In or about July 1999, Defendant applied for and was granted authorization to act as an agent of Chemical Trust to offer and sell the Guaranteed Contracts.

16. Beginning in or about July 1999, Defendant offered and sold the Guaranteed Contracts to residents of the state of Oklahoma. Defendant primarily offered and sold the Guaranteed Contracts to retired elderly persons.

17. On November 19, 1999, after notice and an opportunity for hearing, the Administrator ordered Chemical Trust and Wilkinson to cease and desist violating Sections 101, 201 and 301 of the Act and imposed a civil penalty of Twenty Thousand Dollars (\$20,000).

18. On January 7, 2000, the United States Securities and Exchange Commission filed a civil complaint (the "Complaint") against Chemical Trust and fifteen (15) other defendants and relief defendants, including Wilkinson, in the United States District Court for the Southern District of Florida for violations of the registration and anti-fraud provisions of the federal securities laws.

19. The Complaint alleged that the defendants had engaged and were engaging in a nationwide fraudulent offer of unregistered securities. The Complaint alleged that through the use of numerous misrepresentations and omissions the defendants obtained at least Seventeen Million Dollars (\$17,000,000) of investor money.

20. The misrepresentations and omissions alleged in the Complaint include:

a) misrepresentations by Chemical Trust that it is in the business of buying and selling U.S. Government treasury notes when in fact the defendants misappropriate most of the investor funds for themselves and distribute the remainder back to investors in a ponzi-scheme fashion;

b) misrepresentations that the Guaranteed Contracts are each 100% secured by a surety bond issued by U.S. Guarantee Corporation ("U.S. Guarantee"), a defendant named in the Complaint, when in fact U.S. Guarantee is not licensed as a surety underwriter under the laws of its state of residence or any other state;

c) misrepresentations that U.S. Guarantee has between \$2.4 and \$6 billion in assets, when in fact such assets do not exist, are not owned by U.S. Guarantee, or have extremely nominal value;

d) misrepresentations that key officers and directors of U.S. Guarantee hold various degrees from recognized universities and colleges, when in fact they do not; and

e) omissions to state that the Chemical Trust control persons have a history of securities law violations, including orders directing them to cease and desist violating the securities laws of numerous states.

21. The Complaint sought immediate relief in the form of a temporary restraining order, asset freeze, the appointment of a receiver, an order of accounting by the defendants, an order requiring the defendants to preserve all records, and an order requiring the repatriation of investor funds. The Court granted the immediate relief requested in the Complaint.

22. On June 6, 2000, and pursuant to a motion for summary judgment, the Court entered a final judgment of permanent injunction against three (3) control person defendants, forever enjoining these defendants from violating the registration and various anti-fraud provisions of the federal securities laws. The receivership order of the Court remains in effect while the receiver seeks to recover investor money and provide some restitution to investors.

FIRST CAUSE OF ACTION

(Violation of Section 301 of the Act: Offer and Sale of Unregistered Securities Issued by IGG)

23. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 22 above.

24. The Notes offered and sold by the Defendant are securities as defined in Section 2 of the Act.

25. The securities offered and sold by Defendant are not and have not been registered under the Act nor offered or sold pursuant to an exemption from registration pursuant to Section 401 of the Act. [See Affidavit attached hereto as Exhibit A.] The securities offered and sold by Defendant do not constitute federally covered securities. By reason of the foregoing, Defendant has violated, and unless enjoined, will continue to violate Section 301 of the Act.

SECOND CAUSE OF ACTION

(Violation of Section 201 of the Act: Failure to Register as an Agent of IGG)

26. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 25 above.

27. IGG is the issuer of the Notes. Defendant, by virtue of his efforts and activities in effecting and attempting to effect purchases or sales of the securities, is an agent of the issuer as defined in Section 2 of the Act. Defendant was not registered under the Act as an agent as required by Section 201 of the Act. [See Affidavit attached hereto as Exhibit B.] By reason of the foregoing, Defendant has violated, and unless enjoined, will continue to violate Section 201 of the Act.

THIRD CAUSE OF ACTION

(Violation of Section 301 of the Act: Offer and Sale of Unregistered Securities Issued by Chemical Trust)

28. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 27 above.

29. The Guaranteed Contracts offered and sold by the Defendant are securities as defined in Section 2 of the Act.

30. The securities offered and sold by Defendant are not and have not been registered under the Act nor offered or sold pursuant to an exemption from registration pursuant to Section 401 of the Act. [See Affidavit attached hereto as Exhibit A.] The securities offered and sold by Defendant do not constitute federally covered securities. By reason of the foregoing, Defendant has violated, and unless enjoined, will continue to violate Section 301 of the Act.

FOURTH CAUSE OF ACTION

(Violation of Section 201 of the Act: Failure to Register as an Agent of Chemical Trust)

31. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 30 above.

32. Chemical Trust is the issuer of the Guaranteed Contracts. Defendant, by virtue of his efforts and activities in effecting and attempting to effect purchases or sales of the securities, is an agent of the issuer as defined in Section 2 of the Act. Defendant was not registered under the Act as an agent as required by Section 201 of the Act. [See Affidavit attached hereto as Exhibit B.] By reason of the foregoing, Defendant has violated, and unless enjoined, will continue to violate Section 201 of the Act.

PRAYER FOR RELIEF

Defendant has engaged in acts and practices in violation of the Act. Unless enjoined, the Defendant will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object. A permanent injunction to issue against Defendant is necessary 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.

Make a finding that Defendant committed the violations alleged herein;

II.

Issue an order permanently enjoining Defendant from violating Sections 201 and 301 of the Act;

III.

Order Defendant to make restitution to any and all investors who purchased the Guaranteed Contracts from Defendant or who transferred money to Defendant for the purchase of the Guaranteed Contracts on their behalf;

IV.

Order Defendant to disgorge all ill-gotten gains;

V.

Impose a civil penalty against Defendant in the amount of Fifty Thousand Dollars (\$50,000.00) pursuant to Section 406.1 of the Act; and

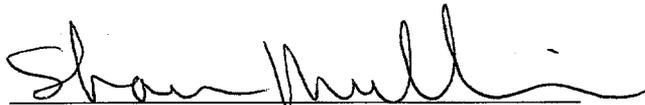
VI.

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:

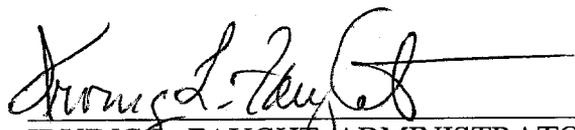


Shaun M. Mullins, #16869
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) SS.

Irving L. 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 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 May, 2001.

(NOTARIAL SEAL)



Notary Public

My Commission Expires:

August 26, 2001

AFFIDAVIT

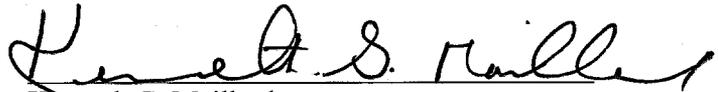
STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

I, Kenneth G. Maillard, Director of Registrations of the Oklahoma Department of Securities (Department), swear that I have conducted an examination of the registration and exemption files of the Department pertaining to current and past registrations for the offer or sale of securities in Oklahoma and that nowhere therein was found a record of an application for the registration of securities pursuant to Section 301 of the Oklahoma Securities Act (Act), 71 O.S. §§1-413, 501, 701-703 (Supp. 2000), for Chemical Trust or International Golf Group, Inc.

I further swear that nowhere within the registration files for the Department was found a record of a registration of securities for Chemical Trust or International Golf Group, Inc., pursuant to Section 301 of the Act.

I further swear that nowhere within the exemption files for the Department was found a record of a notice of intent to claim exemption from Sections 301 and 402 of the Act for Chemical Trust or International Golf Group, Inc., pursuant to any subsection of Section 401 of the Act.

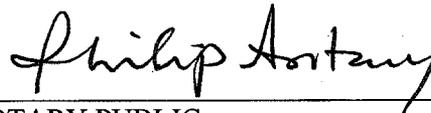
(SEAL)



Kenneth G. Maillard
DIRECTOR OF REGISTRATIONS
OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 3rd day of May, 2001.

(NOTARIAL SEAL)



NOTARY PUBLIC

My Commission Expires:

Sept 18, 2004

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

AFFIDAVIT

I, John K. Ulrey, Chief of Licensing of the Oklahoma Department of Securities, do hereby swear that I have caused to be examined the registration files of the Oklahoma Department of Securities pertaining to current and past registered broker-dealers, agents, investment advisers and investment adviser representatives in Oklahoma and that nowhere therein was found a record of an application to register as a broker-dealer, agent, investment adviser or investment adviser representative filed pursuant to Section 202 of the Oklahoma Securities Act (Act) for James Vann Pruitt, for the time period beginning January 1, 1995, to the present.

I further swear that I have caused to be examined the registration files of the Oklahoma Department of Securities pertaining to current and past registered broker-dealers, agents, investment advisers and investment adviser representatives in Oklahoma and that nowhere therein was found a record of the registration under the Act of James Vann Pruitt as a broker-dealer, agent, investment adviser or investment adviser representative under the Act, for the time period beginning January 1, 1995, to the present.

(SEAL)



John K. Ulrey, CHIEF OF LICENSING of the
OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, OK 73102
Telephone (405) 280-7700

Subscribed and sworn to before me this 3rd day of May, 2001.

(NOTARIAL SEAL)


Notary Public

My Commission Expires:

August 26, 2001