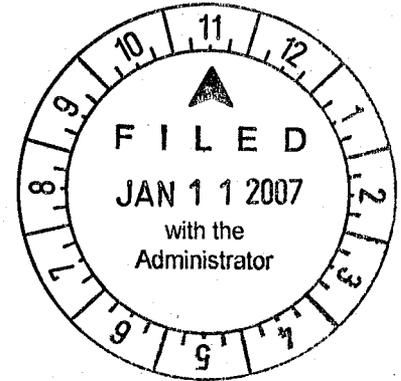


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Michael E. Hentges,
Respondent.

ODS File No. 05-068

RESPONSE OF RESPONDENT, MICHAEL E. HENTGES, TO
ENFORCEMENT DIVISION RECOMMENDATION
AND
REQUEST FOR HEARING

COMES NOW Respondent, Michael E. Hentges, by and through his counsel of record, Clell I. Cunningham III, of the firm of Dunn, Swan & Cunningham, P.C., and, pursuant to 660:2-9-2(a) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, states as follows:

RESPONSE TO FINDINGS OF FACT:

I. Employment History

1. For response to paragraph 1 of the Enforcement's Division's "Finding of Fact", Respondent admits same.

2. For response to paragraph 2 of the Enforcement's Division's "Finding of Fact", Respondent admits same.

3. For response to paragraph 3 of the Enforcement's Division's "Finding of Fact", Respondent admits same. For further response, Respondent states that the termination of AHA from membership in the NASD occurred two years after the termination of Respondent's registration with AHA, and the termination of AHA was unrelated to any actions of Respondent.

4. For response to paragraph 4 of the Enforcement's Division's "Finding of Fact", Respondent admits same.

5. For response to paragraph 5 of the Enforcement's Division's "Finding of Fact", Respondent admits same. For further response, Respondent resigned from registration as an agent of Dominion without knowledge of any formal or informal investigation of the Department.

II. Disciplinary History

6. For response to paragraph 6 of the Enforcement's Division's "Finding of Fact", Respondent states that the agreement speaks for itself.

7. For response to paragraph 7 of the Enforcement's Division's "Finding of Fact", Respondent states that the Order of the NASD speaks for itself.

8. For response to paragraph 8 of the Enforcement's Division's "Finding of Fact", Respondent denies the allegations contained in the first sentence of said paragraph.

9. For response to paragraph 9 of the Enforcement's Division's "Finding of Fact", Respondent denies same, and states that the Order of the Texas Securities Commissioner speaks for itself.

III. The Kelly Transaction

10. For response to paragraph 10 of the Enforcement's Division's "Finding of Fact", Respondent admits the first three sentences of same. Respondent denies that Kelly put the "remainder of her life savings" into a bank account. For further response the amount placed in a bank account was not \$200,000, but \$160,000, and Kelly held several other investments including an IRA account, savings account and annuities.

11. For response to paragraph 11 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, Kelly was solicited by Don Hentges. Respondent was a minority member of 76PW, LLC, and the Venture Capital Agreement was executed by all members. Kelly failed to fulfill her commitment to invest as originally agreed. All obligations of the Members were evidenced on the books and records of the LLC as note obligations.

12. For response to paragraph 12 of the Enforcement's Division's "Finding of Fact", Respondent admits same, except that all payments made by Kelly were made payable to persons or entities other than Respondent.

13. For response to paragraph 13 of the Enforcement's Division's "Finding of Fact", Respondent is without information sufficient to admit or deny same.

14. For response to paragraph 14 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, 76PW, LLC was the borrower of the subject funds. Marks was told that the funds were needed in order to get the aircraft out of the repair shop and that another one of the LLC Members had failed to pay its assessment. Respondent did make his capital assessment.

15. For response to paragraph 15 of the Enforcement's Division's "Finding of Fact", Respondent denies same.

16. For response to paragraph 16 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, Marks were told that 76PW, LLC needed the funds due to one of the other Member's failure to pay a capital assessment. Respondent denies that he assisted in the preparation of the "paperwork" referred to in said paragraph 16.

17. For response to paragraph 17 of the Enforcement's Division's "Finding of Fact", Respondent states that he is without knowledge as to what Marks "believed". However, the documents speak for themselves.

18. For response to paragraph 18 of the Enforcement's Division's "Finding of Fact", Respondent admits same. For further response, Respondent states that all funds used to repay Marks were paid, personally, by Respondent.

19. For response to paragraphs 19-25 of the Enforcement's Division's "Finding of Fact", Respondent denies all allegations to the extent that they are inconsistent with the documents. For further response, Respondent never asked Marks, at any time, for loans to him. Respondent held no interest in REMS, and the moneys loaned were for the benefit of REMS and not for Respondent; Respondent received no financial benefit from the loans. Partial payments have been made on the subject loans.

20. For response to paragraph 26 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, Marks' investment in the Columbus Life policy was more than \$200,000, and to the knowledge of Respondent, such policy is at this time worth more than \$100,000.

21. For response to paragraph 27 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, REMS was dissolved upon the vote and instruction of its Members.

22. For response to paragraph 28 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, REMS was placed under the protection of the bankruptcy court upon the vote of its members.

23. For response to paragraph 29 of the Enforcement's Division's "Finding of Fact", Respondent denies same. For further response, Marks did not file a complaint with the Department of Insurance. The complaint was addressed to the Oklahoma Department of Securities and forwarded to the Department of Insurance with a statement to the effect that it appeared to be a private matter that may be construed as an insurance issue.

24. For response to paragraph 30 of the Enforcement's Division's "Finding of Fact", Respondent denies same.

25. For response to paragraph 31 of the Enforcement's Division's "Finding of Fact", Respondent states that the documents speak for themselves.

26. For response to paragraph 32 of the Enforcement's Division's "Finding of Fact", Respondent states that the documents speak for themselves.

IV. Proceedings Before the Oklahoma Insurance Department

27. For response to paragraph 33 of the Enforcement's Division's "Finding of Fact", Respondent states that the documents speak for themselves. For further response, Respondent states that the Order of the Insurance Commissioner is on appeal at this time.

V. Judicial Proceedings

28. For response to paragraph 34 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves. For further response, Respondent states 76PW was dismissed in that civil action since the Marks were paid in full. Further, Columbus Life Insurance was awarded summary judgment against the Marks and has filed a motion for attorney fees.

29. For response to paragraph 35 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

30. For response to paragraph 36 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

31. For response to paragraph 37 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

32. For response to paragraph 38 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

33. For response to paragraph 39 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

34. For response to paragraph 40 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

35. For response to paragraph 41 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves.

VI. Failure to Comply With Administrative Subpoena

36. For response to paragraph 42 of the Enforcement's Division's "Finding of Fact", Respondent states that the pleadings speak for themselves. For further response, Respondents states that the Department did not any way communicate with counsel for Respondent to address or otherwise object to the position taken by Respondent.

37. For response to paragraph 41 of the Enforcement's Division's "Finding of Fact", Respondent denies same.

Respondent denies all of the allegations set forth in the Enforcement's Division's "Finding of Fact" not otherwise expressly admitted herein.

RESPONSE TO CONCLUSIONS OF LAW

1. For response to paragraph 1 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

2. For response to paragraph 2 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

3. For response to paragraph 3 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

4. For response to paragraph 4 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

5. For response to paragraph 5 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

6. For response to paragraph 6 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

7. For response to paragraph 7 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

8. For response to paragraph 8 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

9. For response to paragraph 9 of the Enforcement's Division's "Conclusions of Law", Respondent denies same.

REQUEST FOR HEARING:

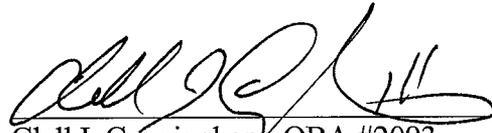
Respondent respectfully requests that this matter be heard before an impartial hearing officer as agreed upon by the parties hereto within ninety (90) days, in accordance with the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities.

WHEREFORE, premises considered, Respondent respectfully requests that this matter be heard before an impartial hearing officer as agreed upon by the parties hereto within ninety (90) days, in accordance with the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities.

Respectfully Submitted,

DUNN SWAN & CUNNINGHAM

By:



Clell I. Cunningham, OBA #2093
210 Park Avenue, Suite 2800
Oklahoma City, Oklahoma 73102
(405) 235-8318

Attorneys for Respondent

CERTIFICATE OF SERVICE

The undersigned certifies that on the 4 day of January, 2007, a true and correct copy of the above and foregoing Response of Michael E. Hentges was mailed, postage prepaid, to:

Irving L. Faught, Administrator
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102

