

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

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2009 DEC -9 PM 12: 04

TENNESSEE SECURITIES DIVISION,)
Petitioner,)
v.)
JERALD G. FOLLIS,)
(A.K.A. GERALD FOLLIS),)
Respondent.)

SECRETARY OF STATE
Docket # 12.06-105401J
File No.: 09-013

SUMMARY ORDER TO CEASE AND DESIST

This Order issues as the result of a Petition, and its Exhibits attached hereto, and filed by the Tennessee Securities Division (“TSD”) of the Department of Commerce and Insurance. This Order is predicated upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. §§ 48-2-101, *et seq.* (the “Act”), places the responsibility for the administration of the Act on the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). The TSD is the lawful agent through which the Commissioner discharges this responsibility. TENN. CODE ANN. §§ 48-2-115.

2. The TSD is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act. TENN. CODE ANN. § 48-2-116.

3. Jerald G. Follis ("Follis") is a citizen and resident of Hamilton County, Tennessee, residing at 941 Brynwood Terrace, Chattanooga, TN 37415. Follis is not currently registered, nor has he ever been registered, as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative with the TSD. (Exhibit 3 (Copy, Original filed with Petition)).

4. Follis is currently offering and/or selling unregistered securities from, in, and/or into the State of Tennessee. (Exhibit 5 (Copy, Original filed with Petition)).

5. On or about September 8, 2009, Follis offered to sell a security in the form of an investment contract, including a promissory note, to Eddie Davis ("Davis"). (Exhibit 5). Davis is a citizen and resident of Tennessee. (Exhibit 5). Davis is also a Securities Examiner and an investigator with the TSD. (Exhibit 5).

6. On or about September 3, 2009, Davis contacted Follis in the course of a preliminary investigation and told Follis that he was responding to an advertisement in the Atlanta Journal Constitution. (Exhibit 5). On or about July 20, 2009, the Enforcement Section received a letter from Michael E. Masburn of the United States Securities and Exchange Commission, Atlanta District Office. (Exhibit 5). The letter referred the TSD to an advertisement in the July 13, 2009 Atlanta Journal Constitution. (Exhibit 5). The TSD found the same advertisement in the July 12, 2009 Atlanta Journal Constitution. (Exhibits 1, 5). The July 12, 2009 advertisement read:

INVESTMENT – It's NOT magic – but Retired Bank President can roll \$250,000.00 into \$1MM cash within 30 days GUARANTEED. Participation is LIMITED. Call Jerald at 423-877-2116.

(Exhibits 1, 5). The TSD has subsequently learned that such advertisements have continued. (Exhibits 2, 5). On October 18, 2009, another advertisement ran in the Atlanta Journal

Constitution. (Exhibits 2, 5). The October 18, 2009 advertisement read:

INVESTMENT WANT TO MAKE A \$55K. RETURN (400% interest) on a \$15K investment in 10-15 Days? YOU CAN! Ex Banker has The Way To Do It! Call Jerald (423) 877-2166

(Exhibits 2, 5).

7. Follis acknowledged the advertisement and agreed to send Davis information about two (2) investment opportunities. (Exhibit 5). On or about September 8, 2009, Davis received a letter from Follis detailing two (2) investment opportunities with Follis. (Exhibit 5). The letter was attached to detailed overviews of the two (2) investment opportunities available and indicated that Davis would need to accept this opportunity by September 14, 2009. (Exhibit 5). Follis failed to inform Davis that these products are securities and that they are not registered for sale with the TSD as required. (Exhibit 5). In addition, Follis failed to inform Davis that Follis is required to be registered with the TSD to sell these products and is not so registered. (Exhibit 5). The offering documents Davis received from Follis also failed to make these disclosures. (Exhibit 5).

8. The Chung Project is the first of two (2) investments offered by Follis. The Chung Project requires the payment of an initial value in the amount of two hundred fifty thousand dollars (\$250,000.00). The Chung Project has significant, inherent risks. According to the offering document, the initial value given is to be used to purchase special chemicals needed by Ms. Chung Hee-Ja of the Republic of South Korea. Ms. Chung is said to need the chemicals to clean cash deposited secretly by her in a bank in the Netherlands. Upon cleaning, the cash is to be transferred to a bank in the United States, and investors are to be paid out of the cleaned cash deposits. The Chung Project promises the investor a return on investment of seven hundred fifty thousand dollars (\$750,000.00) in interest, or 300%, represented by a one million

dollar (\$1,000,000.00) promissory note, due and payable thirty (30) days from the date of investment. The Chung Project investors are not granted any meaningful control over the managerial decisions of the enterprise or the success or failure of Ms. Chung's efforts to clean her cash and transfer it to the United States. (Exhibit 5).

9. The Chung Project is not registered with the TSD as a security for sale from or into the State of Tennessee. (Exhibits 4 (Copy, Original filed with Petition), 5). An examination of the securities registration databases maintained and monitored by the TSD revealed no registration filings for the Chung Project offering. (Exhibits 4, 5).

10. The Bokanga Project is the second of two (2) investment opportunities offered by Follis. The Bokanga Project requires the payment of initial value in the amount of two hundred fifty thousand dollars (\$250,000.00). The Bokanga Project has significant, inherent risks. According to the offering document, the initial value given is to be used to pay fees to the British government for the release of two hundred fifty million dollars (\$250,000,000.00) cash under diplomatic protection, but owned by Mr. Alex Bokanga, former Minister of Finance for the Republic of the Congo. Upon payment of all necessary government fees, the money is to be transferred to a bank in the United States, and investors are to be paid out of the cash deposits. The Bokanga Project promises the investor a return on investment of seven hundred fifty thousand dollars (\$750,000.00) in interest, or 300%, represented by a one million dollar (\$1,000,000.00) promissory note, due and payable thirty (30) days from the date of investment. The Bokanga Project investors are not given any meaningful control over the managerial decisions of the enterprise or the success or failure of Mr. Bokanga's efforts to free his cash from diplomatic protection and transfer it to the United States. (Exhibit 5).

11. The Bokanga Project is not registered with the TSD as a security for sale from or into the State of Tennessee. (Exhibits 4, 5). An examination of the securities registration databases maintained and monitored by the TSD revealed no registration filings for the Bokanga Project offering. (Exhibits 4, 5).

12. Follis has offered and will continue to offer and/or sell unregistered securities from, in, and/or into the State of Tennessee without being lawfully registered to offer or sell securities. This activity puts the public at significant risk of immediate and irreparable injury, loss or damage.

13. Follis, in connection with the offer, sale and purchase of a security in this state, has and will continue to violate TENN. CODE ANN. § 48-2-121(b) by failing to disclose to investors that the investment opportunities being offered by him are securities and are unregistered with the State of Tennessee, Department of Commerce and Insurance, Division of Securities as required by the Act and that he is not registered pursuant to the Act to sell securities from, in or into Tennessee.

14. Follis, in connection with the offer, sale and purchase of a security in this state, has and will continue to violate TENN. CODE ANN. § 48-2-121(b) by making material misrepresentations by guaranteeing returns of 300 %.

15. This Order is in the public interest and necessary for the protection of investors and consistent with the purposes fairly intended by the Act.

CONCLUSIONS OF LAW

Jerald G. Follis Offers an Unregistered Security

1. TENN. CODE ANN. § 48-2-104 prohibits the sale of any security in this state unless

it is registered with the Division, qualified for an exemption pursuant to § 48-2-103, or a covered security.

2. In violation of TENN. CODE ANN. § 48-2-104, Mr. Jerald Follis has offered, and is offering, unregistered securities to Tennessee residents. TENN. CODE ANN. § 48-2-102 provides that a security is defined to include investment contracts and promissory notes. An investment contract is an agreement wherein initial value is given and subjected to the risks of an enterprise, with a valuable benefit of some kind, over and above the initial value, being promised, but the investor does not receive meaningful rights to exercise practical or actual control over the managerial decisions of the enterprise. *King v. Pope*, 91 S.W. 314, 320-22 (Tenn. 2002).

3. Each of the investment opportunities offered by Follis (the Chung Project and the Bokanga project) qualifies as an investment contract and includes a promissory note as an essential component. Each agreement requires initial value in the form of a two hundred fifty thousand dollar (\$250,000.00) investment and subjects this value to the risks of the enterprise in exchange for a valuable benefit in the form of a three hundred percent (300 %) promised return or seven hundred fifty thousand dollar (\$750,000.00). The investors do not receive meaningful rights to exercise practical or actual control over the managerial decisions of the enterprise under either agreement offered by Follis. Instead, the investors' funds are to be used by Follis and his international contacts to free funds held captive by circumstances beyond the control of the alleged rightful owners.

4. These investment contracts and promissory notes are not registered with the TSD as securities for offer or sale in the State of Tennessee.

5. Based upon the Findings of Fact and the Exhibits filed by the Petitioner, Follis has violated and is violating TENN. CODE ANN. § 48-2-104 by offering, and/or selling

unregistered securities in the form of investment contracts and promissory notes to Tennessee residents.

Jerald G. Follis is Not Registered to Offer Securities

6. TENN. CODE ANN. § 48-2-109(a) provides that it is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

7. In violation of TENN. CODE ANN. § 48-2-109, Follis has acted and is acting unlawfully as an unregistered broker-dealer and/or agent to solicit securities in the form of investment contracts and promissory notes (the Chung Project and the Bokanga Project) to Tennessee residents. TENN. CODE ANN. § 48-2-102(3) provides that a 'broker-dealer' means any person engaged in the business of effecting transactions in securities for the account of others, or any person engaged in the business of buying or selling securities issued by one (1) or more other persons for such person's own account and as part of a regular business rather than in connection with such person's investment activities. TENN. CODE ANN. § 48-2-102(2) provides that an 'agent' means any individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities from or in this state.

8. Based upon the Findings of Fact and the Exhibits filed by the TSD, Follis has violated and is violating TENN. CODE ANN. § 48-2-109(a) by acting as unregistered broker-dealer and/or agent to solicit securities in the form of investment contracts and promissory notes (the Chung Project and the Bokanga Project) to Tennessee residents.

Jerald G. Follis has made Untrue Statements of Material Fact in connection with the Offering of an Unregistered Security

9. TENN. CODE ANN. § 48-2-121 provides that it is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

10. Based upon the Findings of Fact, Follis has violated and is violating TENN. CODE ANN. § 48-2-121 by failing to disclose to investors that the investment contracts and promissory notes he offered or is offering (the Chung Project and the Bokanga Project) are unregistered with the State of Tennessee, Department of Commerce and Insurance, Division of Securities and that he is not registered to sell such securities from, in or into Tennessee. In addition, Follis misled investors by telling them that the investments being offered would pay returns of 300%.

The Commissioner May Make such Orders as are Necessary to carry out the Provisions of the Tennessee Securities Act of 1980

11. TENN. CODE ANN. § 48-2-116 provides that the Commissioner may make, promulgate, amend, and rescind such Orders as are necessary to carry out the provisions of the Tennessee Securities Act of 1980, as amended, and that such Order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

12. TENN. CODE ANN. § 48-2-116(e)(2) states, in pertinent part, that no Order may be entered without: 1) prior notice to affected parties, **unless the Commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection**

of investors; 2) an opportunity for a hearing before the Commissioner; and 3) written Findings of Fact and Conclusions of Law. (Emphasis supplied).

13. Based upon the Findings of Fact, Follis was and is currently and repeatedly advertising these investments in the mainstream media, offering securities to Tennessee residents and to residents of other states from his Tennessee address and engaging in securities fraud. The Commissioner determines that prior notice of this Order to Follis would be detrimental to the protection of Tennessee investors.

ORDER

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. Mr. Jerald G. Follis shall comply with the provisions of the Tennessee Securities Act of 1980, as amended.

2. Mr. Jerald G. Follis shall **CEASE AND DESIST** in the further conduct as a broker-dealer or agent of a broker-dealer from or in the State of Tennessee until such time as he is effectively registered with the TSD to engage in such activity.

3. Specifically, **IT IS ORDERED** that Mr. Jerald G. Follis immediately **CEASE AND DESIST** from the issuance, offer to sell, and/or sale of investment contracts and promissory notes or any other investment interest in the Chung Project and/or the Bokanga Project, including any successor entities, to individuals in Tennessee and in other states, as well as immediately **CEASE AND DESIST** from any activity associated with the sale of these and any other securities.

4. Mr. Jerald G. Follis shall **CEASE AND DESIST** the further offer and/or sale and/or issuance of unregistered securities of any kind from and in the State of Tennessee.

5. Specifically, **IT IS ORDERED** that Mr. Jerald G. Follis immediately **CEASE AND DESIST** from the issuance, offer to sell, and/or sale of investment contracts and promissory notes or any other investment interest in the Chung Project and/or the Bokanga Project, including any successor entities, to individuals in Tennessee and in other states, as well as immediately **CEASE AND DESIST** from any activity associated with the sale of these or any other unregistered securities.

6. Mr. Jerald G. Follis shall, in connection with the offer or sale of any security from and in the State of Tennessee, **CEASE AND DESIST** from making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

7. All persons in any way assisting, aiding, or helping the aforementioned Respondent in any of the aforementioned violations of the Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. §§ 48-2-101 *et seq.* shall **CEASE AND DESIST** all such activities in violation of the Tennessee Securities Act of 1980, as amended.

This Order is not intended to prohibit any lawful conduct in which Mr. Jerald G. Follis might be engaged.

Entry of this Order shall not in any way restrict the Tennessee Securities Division or the Commissioner of the Tennessee Department of Commerce and Insurance from taking further action with respect to these or other possible violations of the Act or any of the Rules promulgated thereunder by Mr. Jerald G. Follis. This Order shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

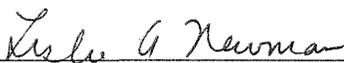
You are advised that you have the right to a hearing as to all matters raised in this Order.

If you wish to exercise your right to a hearing, please notify:

DAPHNE D. SMITH
ASSISTANT COMMISSIONER FOR SECURITIES
STATE OF TENNESSEE, DEPARTMENT OF COMMERCE AND INSURANCE
DAVY CROCKETT TOWER, SUITE 680
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

Such request must be received within thirty (30) days of the date of entry of this Order.

Entered this 8th day of December, 2009.



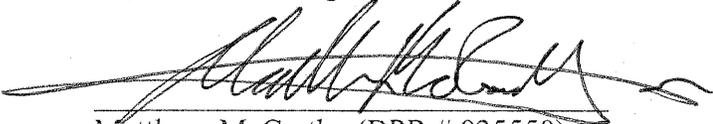
Leslie A. Newman,
Commissioner

APPROVED FOR ENTRY:



Daphne D. Smith
Assistant Commissioner for Securities
Department of Commerce and Insurance

ISSUANCE REQUESTED BY:



Matthew McCarthy (BPR # 025550)
Assistant General Counsel
Department of Commerce and Insurance
Office of Legal Counsel
500 James Robertson Parkway, 2nd Floor
Nashville, Tennessee 37243
(615) 741-2199/Fax (615) 741-4000

EXHIBIT 1

EXHIBIT 2

the majority of its stores from the ground up in grocery store shopping centers. But company president Nick Vojnovic said the difficulty in getting loans has made it almost impossible to continue that strategy.

"We had to decide how to go forward," Vojnovic said. The answer was to look for spots that weren't traditional Beef O'Brady's locales.

Over the past year, Beef O'Brady's company-owned and franchised restaurants have opened in existing buildings including hotels, a college, even a country club. The company has so taken over restaurants that had closed.

Vojnovic said landlords and hotel operators have been willing to rent to Beef O'Brady's not just because they had empty or money-losing space, but because the eateries bring in more customer traffic. They tend to be very accommodating, and Vojnovic described them as "getting more aggressive with tenant improvement money," counting toward the cost of renovations.

Vojnovic said the chain opened just under 30 restaurants this year, with only three or four built under the company's old model. Without the ability to make these deals, he said the chain would not have been able to expand much. In healthier economies, it opened 50 restaurants a year. It dramatically lowers the cost of the franchise," he said.

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EXHIBIT 3

in, or into Tennessee.

3. At the request of the Enforcement Section of the Securities Division, I have searched the records of the Broker-Dealer Registration Section to determine if the person Jerald G. Follis, aka Gerald Follis, has ever been registered under the Act to conduct business as a broker-dealer or agent of a broker dealer from, in or into Tennessee.

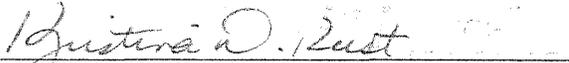
4. The search revealed that Jerald G. Follis, aka Gerald Follis, as of the date noted below, is not currently registered as a broker-dealer, agent of a broker-dealer, investment adviser or investment adviser representative under the Act to conduct such business from, in, or into Tennessee and has never been registered to do so.

FURTHER, AFFIANT SAITH NOT.



LARRY D. BURTON

Sworn to and subscribed before me this the 24TH day of NOVEMBER, 2009.



Notary Public

My commission expires: 3/10/12



EXHIBIT 4

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE SECURITIES DIVISION,)
 Petitioner,)
)
vs.)
)
JERALD G. FOLLIS,)
 (A.K.A. GERALD FOLLIS),)
 Respondent.)

Docket # 12.06-105401J

No. 09-013

AFFIDAVIT

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

**I, VANCE SPEARS, HAVING BEEN DULY SWORN, DEPOSE AND SAY AS
FOLLOWS:**

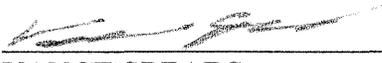
1. I am employed as a Securities Examiner with the Securities Registration Section of the Tennessee Securities Division ("TSD"), Tennessee Department of Commerce and Insurance.
2. As a Securities Examiner with the Securities Registration Section, I am responsible for the maintenance and use of documents and electronically transmitted information received by the Securities Registration Section relating to the registration of securities products registered with the State of Tennessee and/or the United States Securities and Exchange Commission. Such documents and electronically transmitted information contain the product information for all products which have been registered pursuant to the Tennessee Securities Act of 1980, as amended (Act), for sale from, in, or into Tennessee.

3. At the request of the Enforcement Section of the Securities Division, I have searched the records of the Securities Registration Section to determine if the Chung Project and/or the Bokanga Project have ever been registered under the Act for sale from, in or into Tennessee. In addition, I searched the Securities Registration Section for the promissory notes that accompanied both the Chung Project and/or the Bokanga Project.

4. The search revealed that the Chung Project and/or the Bokanga Project, as of the date noted below, are not currently registered as a security under the Act for sale from, in, or into Tennessee and have never been registered as required by the Act. The search revealed that the promissory notes that accompanied both the Chung Project and/or the Bokanga Project have not been registered as required by the Act.

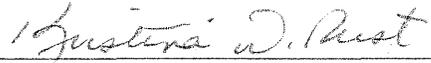
5. My search of the Division's records included a search for any notice filings or exemption claims filed for either the Chung Project and/or the Bokanga Project. If an issuer or seller intends to rely on an exemption or prior registration with another jurisdiction, then he or she must make such a filing with the TSD. As of the date noted below there have not been any notice filings or exemption claims filed for either the Chung Project and/or the Bokanga Project

FURTHER, AFFIANT SAITH NOT.



VANCE SPEARS

Sworn to and subscribed before me this the 24TH day of NOVEMBER, 2009.



Notary Public

My commission expires: 3/10/12

EXHIBIT 5

2009 advertisement read:

INVESTMENT – It's NOT magic – but Retired Bank President can roll \$250,000.00 into \$1MM cash within 30 days GUARANTEED. Participation is LIMITED. Call Jerald at 423-877-2116.

(Exhibit 1). The TSD has subsequently learned that such advertisements have continued. On October 18, 2009, another advertisement ran in the Atlanta Journal Constitution. The October 18, 2009 advertisement read:

INVESTMENT WANT TO MAKE A \$55K. RETURN (400% interest) on a \$15K investment in 10-15 Days? YOU CAN! Ex Banker has The Way To Do It! Call Jerald (423) 877-2166

(Exhibit 2).

4. On or about September 3, 2009, I contacted Mr. Jerald G. Follis, aka Gerald Follis, by phone at (423) 877-2116 and advised him that I was responding to an advertisement in the Atlanta Journal Constitution. Mr. Follis acknowledged the advertisement and agreed to send me information about two (2) investment opportunities.

5. On or about September 8, 2009, I received an offer from Mr. Follis, for the sale of a security in the form of an investment contract, including a promissory note. Specifically, I received a letter from Mr. Follis detailing two (2) investment opportunities with Mr. Follis. The letter was attached to detailed overviews of the two (2) investment opportunities available and indicated that I would need to accept this opportunity by September 14, 2009. Mr. Follis failed to inform me that these products are securities, that they are not registered for sale with the TSD as required. In addition, Mr. Follis failed to inform me that Mr. Follis is required to be registered with the TSD to sell these products and is not so registered. The offering documents I received from Mr. Follis also failed to make these disclosures.

6. The Chung Project is the first of two (2) investments offered by Mr. Follis. The Chung Project requires the payment of an initial value in the amount of two hundred fifty thousand dollars (\$250,000.00). The Chung Project has significant, inherent risks. According to the offering document, the initial value given is to be used to purchase special chemicals needed by Ms. Chung Hee-Ja of the Republic of South Korea. Ms. Chung is said to need the chemicals to clean cash deposited secretly by her in a bank in the Netherlands. Upon cleaning, the cash is to be transferred to a bank in the United States, and investors are to be paid out of the cleaned cash deposits. The Chung Project promises the investor a return on investment of seven hundred fifty thousand dollars (\$750,000.00) in interest, or 300%, represented by a one million dollar (\$1,000,000.00) promissory note, due and payable thirty (30) days from the date of investment. The Chung Project investors are not granted any meaningful control over the managerial decisions of the enterprise or the success or failure of Ms. Chung's efforts to clean her cash and transfer it to the United States.

7. The Chung Project is not registered with the TSD as a security for sale from or into the State of Tennessee. An examination of the securities registration databases maintained and monitored by the TSD revealed no registration filings for the Chung Project offering. At my request, Vance Spears, a Securities Examiner with the Securities Registration Section, searched the records of the Securities Registration Section to determine if the Chung Project has ever been registered under the Act for sale from, in or into Tennessee. The search revealed that the Chung Project, as of the date noted below, is not currently registered as a security under the Act for sale from, in, or into Tennessee and has never been registered as required by the Act.

8. The Bokanga Project is the second of two (2) investment opportunities offered by Mr. Follis. The Bokanga Project requires the payment of initial value in the amount of two hundred fifty

thousand dollars (\$250,000.00). The Bokanga Project has significant, inherent risks. . According to the offering document, the initial value given is to be used to pay fees to the British government for the release of two hundred fifty million dollars (\$250,000,000.00) cash under diplomatic protection, but owned by Mr. Alex Bokanga, former Minister of Finance for the Republic of the Congo. Upon payment of all necessary government fees, the money is to be transferred to a bank in the United States, and investors are to be paid out of the cash deposits. The Bokanga Project promises the investor a return on investment of seven hundred fifty thousand dollars (\$750,000.00) in interest, or 300%, represented by a one million dollar (\$1,000,000.00) promissory note, due and payable thirty (30) days from the date of investment. The Bokanga Project investors are not given any meaningful control over the managerial decisions of the enterprise or the success or failure of Mr. Bokanga's efforts to free his cash from diplomatic protection and transfer it to the United States.

9. The Bokanga Project is not registered with the TSD as a security for sale from or into the State of Tennessee. An examination of the securities registration databases maintained and monitored by the TSD revealed no registration filings for the Bokanga Project offering. At my request, Vance Spears, a Securities Examiner with the Securities Registration Section, searched the records of the Securities Registration Section to determine if the Bokanga Project has ever been registered under the Act for sale from, in or into Tennessee. The search revealed that the Bokanga Project, as of the date noted below, is not currently registered as a security under the Act for sale from, in, or into Tennessee and has never been registered as required by the Act.

10. At my request, Larry D. Burton searched the records of the Broker-Dealer Registration Section to determine if the person Jerald G. Follis, aka Gerald Follis, has ever been registered under the Act to conduct business as a broker-dealer or agent of a broker-dealer from, in or

into Tennessee.

11. The search revealed that Jerald G. Follis, aka Gerald Follis, as of the date noted below, is not currently registered as a broker-dealer, agent of a broker-dealer, investment adviser or investment adviser representative under the Act to conduct such business from, in, or into Tennessee and has never been registered to do so.

FURTHER, AFFIANT SAITH NOT.

Eddie R Davis
EDDIE R. DAVIS

Sworn to and subscribed before me this 2nd day of DECEMBER, 2009.

Kristina D Rust
Notary Public

My commission expires: 3/10/12

