

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
THE FIRST NATIONAL CENTER  
120 N. ROBINSON, SUITE 860  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Anthony L. Cross (CRD #3155726), and  
The O.N. Equity Sales Company (CRD #2936),

ONESCO.

ODS File No. 11-017

**AGREEMENT**

**THIS AGREEMENT** is entered into between and among The O.N. Equity Sales Company ("ONESCO") and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the Effective Date set forth below. The entities and persons identified in this paragraph are collectively referred to as "the Parties" in this Agreement.

Pursuant to Section 1-410(D) of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2010), and 660:11-5-43 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules"), Okla. Admin. Code §§ 660:1-1-1 through 660:25-7-1, the Department conducted a for-cause examination of certain activities of Anthony L. Cross ("Cross") and ONESCO (collectively, "Respondents") in connection with the offer and/or sale of securities in and/or from Oklahoma. Based thereon, the Enforcement Division of the Department filed an *Enforcement Division Recommendation* ("Recommendation") on January 25, 2012, in support of the imposition of sanctions against Respondents.

Respondent ONESCO enters into this Agreement without the adjudication of any issue of law or fact, without the entry of any findings or orders, and without admitting or denying any violation of the Act or Rules, except admitting that the Administrator has jurisdiction over ONESCO and the subject matter of this action. ONESCO voluntarily waives its right to a hearing provided by the Act, the Rules, and the Oklahoma Administrative Procedures Act, and any right to appeal.

The undersigned Parties hereto agree as follows:

1. **Jurisdiction.** The Administrator has jurisdiction over ONESCO and the subject matter of this action.

2. **Payment.** ONESCO will pay [REDACTED] the sum of \$10,000 within five business days of the Effective Date of this Agreement. ONESCO will present proof of receipt of this payment by [REDACTED] to the Department by mail to Terra

Bonnell, Enforcement Attorney, Oklahoma Department of Securities, 120 North Robinson Avenue, Suite 860, Oklahoma City, Oklahoma 73102, or by email to [tbonnell@securities.ok.gov](mailto:tbonnell@securities.ok.gov).

3. **Policies, Procedures and Training.** Before December 31, 2012, ONESCO will:

- a. Review its current Supervisory Procedures and Compliance and Operations Manual and revise all provisions thereof that do not conform with its actual practices relating to the review of transactions or proposed transactions for suitability including, but not limited to, clarifying that exception report PR-56 is designed to review the availability of mutual fund break points only, and an accurate description of the suitability review process for sales of securities through Pershing accounts. ONESCO shall incorporate all such revisions in its respective manuals;
- b. ONESCO shall broaden the definition of "solicitation" provided in Section 8.06 of its current Compliance and Operations Manual to include the definition of "solicitation" contained in the ONESCO MarketLink dated Summer 2012;
- c. ONESCO shall provide a Compliance Alert to all registered representatives on the suitability of floating rate funds including, but not limited to, the credit and liquidity risks associated with floating rate funds and the customers for whom such funds may be suitable;
- d. ONESCO shall identify all of Cross's customers who currently own a mutual fund that contains the term "floating" in the fund name, and determine whether reasonable grounds exist for believing the position in such a fund is suitable for said customer; and
- e. ONESCO shall send ONESCO-1 Updating Account Information Forms to all customers of Cross asking them to verify the accuracy of their personal information as reported on the most recent ONESCO-1 form, and report any discrepancies therewith directly to ONESCO. In the event that Cross's customers report material discrepancies in their customer information, as determined solely by ONESCO, ONESCO shall notify the Department of same.

ONESCO shall provide the following to the Department at the address or email address provided in paragraph 2 above: A copy of all revisions made to its Supervisory Procedures and Compliance and Operations Manual in accordance with subsections (a) and (b) above; a copy of the Compliance Alert covering floating rate funds, provided in accordance with subsection (c) above; evidence of the review performed and determinations made, in accordance with subsection (d) above; and a exemplar of the verification requests sent in accordance with subsection (e) above.

4. **Subpoenas.** ONESCO will not object on the basis of lack of jurisdiction or authority to any *subpoena duces tecum* and/or *subpoena ad testificandum* issued in the referenced matter pursuant to the Act and/or Rules ("Subpoena"). ONESCO also consents to service of any Subpoena by email, first-class mail, or hand-delivery to its counsel of record.

5. **Public Record.** ONESCO acknowledges and understands that this Agreement is a public record that will be available for public examination, pursuant to Section 1-607 of the Act.

6. **No Coercion.** ONESCO enters into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.

7. **Consideration.** In consideration for this Agreement, the Administrator shall not take further action against ONESCO in connection with the allegations contained in the Recommendation, except as provided in paragraphs 8 and 10 below.

8. **Failure to Comply.** Failure to comply may result in a suspension of all registrations of ONESCO under the Act and any other remedies authorized by law. ONESCO waives its right to a hearing on any order of suspension based on failure to comply with this Agreement.

9. **Entire Agreement.** This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the Parties hereto.

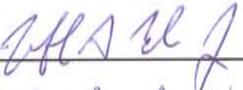
10. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against ONESCO, the Administrator may assist in such action as authorized by law.

11. **Applicability.** This Agreement applies only to the activities of ONESCO and to no others. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions or activities to which it relates or any future securities transactions.

12. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the date and year set forth below their signatures hereto.

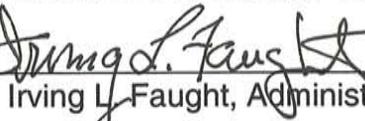
**THE O.N. EQUITY SALES COMPANY**

By: 

Title: Chief Compliance Officer

Date: 9/11/12

**OKLAHOMA DEPARTMENT OF SECURITIES**

By:   
Irving L. Faught, Administrator

Date: 9/17/12