

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



In the Matter of:

Donald Keith Grissom
CRD #2338521,

Respondent.

ODS File No. 06-034

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (Department).

2. That a copy of the *Notice of Opportunity for Hearing* (Notice) with *Enforcement Division Recommendation* (Recommendation) attached was delivered to Affiant in the office of the Administrator of the Department (Administrator) pursuant to Section 1-611 of the Oklahoma Uniform Securities Act (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

3. That the Administrator has received service of process on behalf of Donald Keith Grissom (Grissom) pursuant to Section 1-611 of the Act.

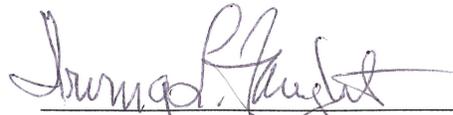
4. That a copy of the Notice, with the Recommendation attached, and a copy of this *Notice of Service on the Administrator and Affidavit of Compliance* are being sent this **24th** day of December, 2008, by certified mail, return receipt requested, delivery restricted to addressee, to the last known address of Grissom, in compliance with Section 1-611 of the Act.

5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

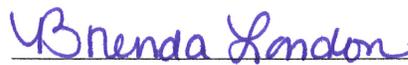
FURTHER AFFIANT SAYETH NOT.

Dated this 24th day of December, 2008.

(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 24th day of December, 2008.


Notary Public

My Commission Expires: My Commission No.:
SEAL



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In the Matter of:

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CRD #2338521,

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ODS File No. 06-034

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Donald Keith Grissom (Grissom), in connection with his registration as an agent of a broker-dealer.

2. On the 22nd day of December, 2008, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 1-411(G) of the Act, the Administrator hereby gives notice to Respondent of his right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Failure to request a hearing as provided for herein shall result in the issuance of an order barring Grissom from association with a broker-dealer or investment adviser in any capacity.

5. The request for hearing shall be in writing and Respondent shall specifically admit or deny each allegation in said request as required by 660:2-9-2(a) of the Rules.

6. Notice of the date, time and location of the hearing shall be given to Respondent not less than forty-five (45) days in advance thereof pursuant to 660:2-9-2(c) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this
24th day of December, 2008.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 24th day of December, 2008 a true and correct copy of the above and foregoing *Notice of Opportunity for Hearing* and attached *Enforcement Division Recommendation* was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Donald Keith Grissom
1202 E. 18th Street
Tulsa, OK 74120

Brenda London

Brenda London
Paralegal

**STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
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OKLAHOMA CITY, OKLAHOMA 73102**



In the Matter of:

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CRD #2338521,

Respondent.

ODS File No. 06-034

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), an investigation was conducted by the Oklahoma Securities Department (Department) into the activities of Donald Keith Grissom (Grissom) in connection with the offer and/or sale of securities in and/or from Oklahoma. Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator) in support of the issuance of an order barring Grissom from association with a broker-dealer or investment adviser in any capacity.

Findings of Fact

1. Grissom, an Oklahoma resident, became registered under the Predecessor Act in June 1994 as an agent. His most recent registration under the Act terminated on December 1, 2008.
2. At all times material hereto, Grissom was a registered agent and general principal with a broker-dealer, Sicor Securities, Inc.
3. At all times material hereto, Grissom held a license to sell life insurance and variable annuities with the Oklahoma Insurance Department.
4. In the year 2000, Grissom sold variable life insurance policies to three Oklahoma residents.
5. According to a *Final Order* issued by the Oklahoma Insurance Department (Final Order), Grissom's insurance license was revoked on October 29, 2008, based on the sale of the three variable life insurance policies.
6. The Final Order reflects the following:

- a. Grissom sold a variable life insurance product to at least three Oklahoma residents by intentionally misrepresenting the product as an “investment.”
- b. Grissom received \$168,462.00 in commissions from the sale of the three variable life insurance policies. The three Oklahoma residents lost all money moved into the variable life insurance contracts. If the money would not have been moved into these products, Grissom would not have received the commissions.
- c. Grissom violated Oklahoma insurance laws by committing insurance unfair trade practice fraud or “twisting,” as defined under OAC: 365:25-3-9, by inducing his clients to move their money from safe investments to variable life insurance, resulting in a loss of their retirement funds to pay for insurance policies that were not wanted or needed.
- d. Grissom breached his fiduciary duty to the three Oklahoma clients by recommending variable life insurance as an investment product when the clients did not desire or need insurance.
- e. Grissom violated Oklahoma insurance laws by demonstrating incompetence, untrustworthiness and financial irresponsibility in the conduct of his business by recommending unnecessary insurance to clients as an investments.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authority

Section 1-411 of the Act provides in pertinent part:

C. If the Administrator finds that the order is in the public interest and paragraphs 1 through 6, 8, 9, 10, 12, or 13 of subsection D of this section authorizes the action, an order under this act may censure, impose a bar, impose a civil penalty in an amount not to exceed maximum of Five Thousand Dollars (\$5,000.00) for a single violation or Two hundred Fifty Thousand Dollars (\$250,000.00) for multiple violates on a registrant, and/or recover the costs of the investigation from registration and if the registrant is a broker-dealer or investment adviser, from any partner, officer, or director, any person having a similar function or any person directly or indirectly controlling the broker-dealer o investment adviser.

D. A person may be disciplined under subsections A through C of this section if the person:

* * *

13. Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous ten (10) years.

Conclusions of Law

1. Grissom has engaged in dishonest or unethical practices in the insurance business within the past ten (10) years.

2. The Administrator is authorized by Section 1-411 of the Act to issue an order to bar Grissom from association with a broker-dealer or investment adviser in any capacity.

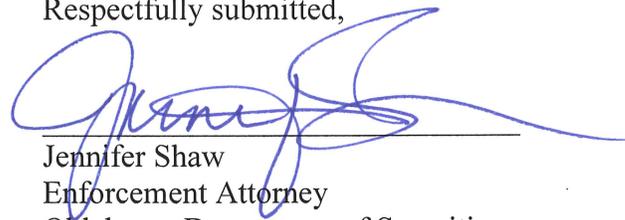
3. It is in the public interest to issue an order to bar Grissom from association with a broker-dealer or investment adviser in any capacity.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact they should be so considered.

WHEREFORE, it is recommended that the Administrator issue an order to bar Grissom from association with a broker-dealer or investment adviser in any capacity.

Dated this 22nd day of December, 2008.

Respectfully submitted,



Jennifer Shaw
Enforcement Attorney
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700