

6. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 413(h) of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 20th day of October, 1999.

(SEAL)



Irving L. Faught
Administrator

Subscribed and sworn to before me this 20th day of October, 1999.

(NOTARY SEAL)



Brenda S. Landon
Notary Public

My Commission Expires:

8-26-2001

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

In The Matter Of:

**Richard O'Quin
15 Churchill St.
Purcell, OK 73080**

Respondent.

ODS File No. 99-115

NOTICE OF OPPORTUNITY FOR HEARING

1. The Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") pursuant to his authority under Section 405 of the Oklahoma Securities Act (the "Act"), Okla. Stat. tit. 71, §§ 1-17, 101, 102, 201-204, 301-307, 401-413, 501, 701-703 (1991 & Supp. 1998), designated the Enforcement Division of the Department to conduct an investigation into the activities of Richard O'Quin ("Respondent").
2. On the 20th day of October, 1999, the attached Recommendation to the Administrator to Bar Richard O'Quin from Association with a Broker-Dealer or Investment Adviser ("Recommendation") was served on the Administrator.
3. This Notice of Opportunity For Hearing ("Notice") with the Recommendation attached shall serve as notice to the Respondent that this Recommendation has been served on the Administrator as provided in Section 413(h) of the Act.
4. Pursuant to Section 406(b) 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 attached Recommendation should not be issued.
5. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after receipt of this Notice.
6. Pursuant to 660:2-9-1 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules"), the request for hearing should be in writing and specify the grounds upon which relief is sought.

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

In The Matter Of:

**Richard O'Quin
15 Churchill St.
Purcell, OK 73080**

Respondent.

ODS File No. 99-115

**RECOMMENDATION TO THE ADMINISTRATOR TO BAR RICHARD
O'QUIN FROM ASSOCIATION WITH A BROKER-DEALER OR
INVESTMENT ADVISER**

The Enforcement Division of the Oklahoma Department of Securities ("Department"), pursuant to the Oklahoma Securities Act (the "Act"), Okla. Stat. tit. 71, §§ 1-17, 101, 102, 201-204, 301-307, 401-413, 501, 701-703 (1991 & Supp. 1998), submits the following Findings of Fact, Authorities and Conclusions of Law to the Administrator, or his designee, in support of the issuance of an order to bar Richard O'Quin from association with a broker-dealer or investment adviser subject to the provisions of the Act.

Findings of Fact

1. Harbor Securities, L.L.C. (the "L.L.C. or Harbor Securities") is a New York limited liability company based in New York and is a member of the Philadelphia Stock Exchange. Individuals desiring to trade securities on their own behalf may do so by becoming a member of the L.L.C. and by assenting to and signing the operating agreement ("Agreement") of the L.L.C. A member must also sign an "Acknowledgment of Membership and Risk" ("Acknowledgment") in which the member acknowledges that he or she is the "sole owner of the funds contributed" and that he or she has "not entered into any profit or loss arrangement regarding the proposed securities trading with any person."
2. In or around November, 1997, a resident of Purcell, Oklahoma, became a member of the L.L.C. (the "L.L.C. Member") and authorized Richard O'Quin ("Respondent") to make securities trades on her behalf through her L.L.C. account, subject to the same terms and limitations as set forth in the Agreement and the Acknowledgment.

3. Respondent held himself out to numerous Oklahoma investors (the "Investors") as being affiliated with Harbor Securities. Respondent's representations of such affiliation were made through the use of oral communications, business cards showing a business address for Harbor Securities in Norman, Oklahoma, and a telephone directory listing in Norman, Oklahoma for "Harbor Securities."
4. Respondent required that Investors sign a "trading agreement" or "account agreement" prepared by Respondent stating that the Investors were placing their funds in an investment account to be traded by Respondent. The trading or account agreement between Respondent and the Investor stated that the Investor would receive monthly checks for any gains up to 10% of their account balance or 10% of their initial capital, with any excess going to Respondent.
5. From at least May, 1998, until March 1999, Respondent received substantial sums of money from the Investors for the purported purpose of effecting transactions in securities for the Investors. Respondent purported to trade securities for and on behalf of the Investors, or for his own account, in accounts held at various firms, including, but not limited to, Harbor Securities.
6. Respondent, in connection with the offer, sale or purchase of securities, directly and indirectly, omitted to state the following:
 - a. that he was not registered under the Act as an agent or broker-dealer;
 - b. that when an Investor placed funds with Respondent and signed a trading or account agreement, the Investor would not have an account in his or her name with Harbor Securities;
 - c. that Respondent was not a member of the L.L.C.;
 - d. that any securities transactions effected by Respondent on behalf of Investors would be made in the account of the L.L.C. Member;
 - e. that any funds to be deposited into the account of a member of the L.L.C. were restricted by the Agreement and Acknowledgment to those funds solely owned by the member of the L.L.C.;
 - f. that a member of the L.L.C. was prohibited by the Acknowledgment from entering into any profit or loss sharing agreement with any other person;
 - g. that Respondent was not in fact purchasing or selling securities using the funds provided to him by Investors;
 - h. that Respondent was using the money provided to him by Investors for his personal benefit including, but not limited to, withdrawing substantial sums of investor funds in cash; payment of personal expenses relating to travel, credit card payments, utility bills, medical expenses, household items and taxes; purchases of and payments toward personal

- vehicles; and purchases of equipment and payment of rent for unrelated businesses; and
- i. that any payments to Investors for trading profits would be made using Investors' own contributed principal amount or the principal amount contributed by other Investors.
7. At no time was Respondent registered as a broker-dealer under the Act.

Authorities

1. Section 2(e) of the Act defines "broker-dealer" as "any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account."
2. Section 101 provides:

It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly

 - (1) to employ any device, scheme or artifice to defraud,
 - (2) to make any untrue statement of a material fact or to 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,
 - (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
3. Section 201 of the Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.
4. Section 406(a) of the Act provides in pertinent part:

If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

* * *

(3) bar or suspend the person from association with a broker-dealer or investment adviser subject to the provisions of the Oklahoma Securities Act.

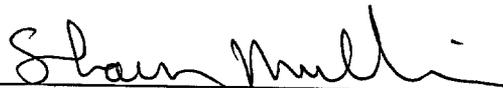
Conclusions of Law

1. Respondent, by virtue of his efforts and activities in effecting transactions in securities for the account of others or for his own account, is a broker-dealer as defined in Section 2 of the Act.
2. Respondent violated Section 101(2) of the Act by omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer, sale, or purchase of securities in this state.
3. Respondent violated Section 101(3) of the Act by engaging in acts, practices and a course of business which operated as a fraud or deceit upon investors, in connection with the offer, sale or purchase of securities in this state.
4. Respondent violated Section 201 of the Act by transacting business in this state as a broker-dealer without first being registered under the Act.

WHEREFORE, it is recommended that the Administrator issue an order barring Respondent from association with a broker-dealer or investment adviser subject to the provisions of the Oklahoma Securities Act.

Dated this 20th day of October, 1999.

Respectfully submitted,



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 20th day of October, 1999, a true and correct copy of the above and foregoing Notice of Opportunity For Hearing and Recommendation to the Administrator to Issue Final Order to Bar Richard O'Quin from Association with a Broker-Dealer or Investment Adviser was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Richard O'Quin
15 Churchill St.
Purcell, OK 73080

Sharon Mullin