

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



In the Matter of:

Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451),

Respondents.

File No. 12-058

MOTION TO RESOLVE DISCOVERY ISSUES
AND REQUEST FOR HEARING

The Oklahoma Department of Securities (Department) respectfully moves the Administrator to resolve certain outstanding issues relating to discovery in this matter. On or about November 4, 2013, the Department served Respondents Rodney Larry Watkins, Jr. (Watkins) and Southeast Investments, N.C. Inc. (Southeast) (collectively, "Respondents") with the Department's *First Requests to Rodney Larry Watkins, Jr. to Produce Documents* (Watkins Discovery Requests) and *First Requests to Southeast Investments, N.C. Inc. to Produce Documents* (Southeast Discovery Requests).

The Department in good faith has repeatedly attempted to resolve these issues with counsel for Respondents. The following issues remain and need to be addressed by the Administrator:

1. The Watkins Discovery Requests and Southeast Discovery Requests required production of documents for the period of February 2, 2012 to November 4, 2013. However, Respondents objected to the time frame and unilaterally narrowed the

time period to end August 26, 2012. Respondents arbitrarily determined relevance and limited their production of documents based on their narrowed time frame.

2. Respondent Southeast, prior to the Recommendation being filed in this case, provided limited information to the Department. Respondent Southeast relies on this production as its compliance with discovery. However, Respondent Southeast continues to fail to produce all documents requested including, but not limited to, Respondent Watkins' sample business card that is referenced as an attachment in an email provided by the firm (See **Exhibit 1**); any correspondence relating to Respondent Watkins after October 29, 2012; and new Southeast account forms for all of Respondent Watkins' clients.

3. Respondent Watkins has failed to provide client records that are required to be maintained by him by Southeast's written supervisory procedures including, but not limited to, background and financial information of clients and correspondence with clients.

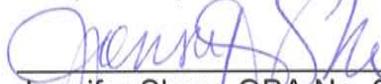
4. Despite requests by the Department, the Respondents have failed to provide the Department with dates for depositions of Respondent Watkins and Respondent Black.

In support of this motion the Department has attached additional exhibits for the Administrator's reference:

1. Exhibit 2 The Department's Discovery Requests
2. Exhibit 3 The Discovery Responses of Respondents
3. Exhibit 4 The Department's letter outlining outstanding discovery issues
4. Exhibit 5 Respondents' letter dated January 16, 2014, objecting to discovery
5. Exhibit 6 Respondents' letter in connection with second production of discovery
6. Exhibit 7 A timeline of events relating to procedural matters

WHEREFORE, the Department requests the Administrator to issue an order (1) setting a hearing to resolve all discovery disputes; (2) requiring Respondents to produce all documents responsive to the the discovery requests within ten (10) days following a hearing on this Motion; (3) if an item is not produced by Respondents, requiring them to identify the item and specifically acknowledge whether or not the document exists; and (4) requiring the Respondents to present Respondent Watkins and Respondent Black for depositions within the next thirty (30).

Respectfully submitted,



Jennifer Shaw, OBA No. 20839
Amanda Cornmesser, OBA No. 20044
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700
Facsimile: (405) 280-7742
Email: jshaw@securities.ok.gov
acornmesser@securities.ok.gov

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 26 day of March, 2014, a true and correct copy of the above and foregoing was emailed and mailed, with postage prepaid thereon, addressed to:

Patrick O. Waddel
1700 Williams Center Tower
One W. 3rd Street
Tulsa, OK 74103-3522
pwaddel@sneedlang.com
Attorney for Respondents



From: Rodney Watkins <Rodney@watkinsandassoc.com>

To: 'Jeanette Roberts' <jroberts@seinvestnc.com>; fstockjock <fstockjock@aol.com>

Subject: FW: business card review

Date: Fri, Apr 20, 2012 12:55 pm

Attachments: business_card_approval_request.pdf (1183K)

Jeanette

I've attached the business card request

thx

From: Rodney Watkins [<mailto:Rodney@watkinsandassoc.com>]

Sent: Thursday, April 19, 2012 2:59 PM

To: 'Dominique Black'

Subject: business card review

Dominique

I've attached a business card sample request for approval

thx

Rodney L. Watkins Jr.

Watkins & Associates Financial Services

46 East 16th Street

Tulsa, Oklahoma 74119

Office Phone: 918-770-7769

Toll Free Phone: 877-759-7820

Office Fax: 918-794-1632

<http://mail.aol.com/37105-111/aol-6/en-us/mail/PrintMessage.aspx>



10/27/2012

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

In the Matter of:

Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451);

Respondents.

ODS File No. 12-058

**FIRST REQUESTS TO RODNEY LARRY WATKINS, JR.
TO PRODUCE DOCUMENTS**

The Oklahoma Department of Securities (Department) hereby requests, pursuant to 660:2-9-3(b) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (as amended July 1, 2007) (Rules), that Respondent Rodney Larry Watkins, Jr. produce, **within fifteen (15) days**, the below-described documents in his possession, custody, or control, at the offices of the Department located at 120 North Robinson Avenue, Suite 860, Oklahoma City, Oklahoma 73102.

DEFINITIONS

1. As used herein, the terms "you" or "your" refer to Rodney Larry Watkins, Jr. and all employees, agents, representatives, attorneys or other persons acting or purporting to act on his behalf.
2. As used herein, the term "Department" shall refer to the Oklahoma Department of Securities.
3. As used herein, the term "communication" means any oral statement, dialogue, colloquy, discussion or conversation, and also means any transfer of thoughts or ideas between persons by means of documents, and includes any transfer of data from one location to another by electronic or similar means.
4. As used herein, the term "document" or "writing" means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limitation; any invoice, bill, order form, receipt, financial statement, account statement, accounting entry, diary, written material, book, file, note, pamphlet, periodical, letter, memorandum (including any memorandum or report of a meeting), calendar, telex, telegram, cable, report, record, contract, agreement, study, handwritten note, working paper, chart, print, laboratory record, drawing,

EXHIBIT

2

sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing card, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced. "Document" or "writing" shall also mean all computer generated data including, but not limited to, spreadsheets, databases, graphics, charts and presentations, electronic mail messages, electronic facsimiles, scanned material, or all computer generated data stored on removable storage media, including, but not limited to, 3.5" and 5.25" floppy disks, rewritable optical disks, cd-recordable disks, flash memory, removable hard drives, backup and archive tape cartridges, reels and cassettes, or fixed storage media, including, but not limited to, internal hard drives, external hard drives, and Local Area Network drives.

5. As used herein, the terms "relation," "pertaining to," "relating to," "relate to," or "related" mean pertaining in any way to, referring to, reflecting, recording, memorializing, mentioning, constituting, describing, or concerning, directly or indirectly.

6. The following rules of construction apply to this request:

- a. the connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the attachment all responses that might otherwise be construed to be outside of its scope; and
- b. the use of the singular form of any word includes the plural and vice versa.

INSTRUCTIONS

1. Unless otherwise set forth in a specific document request, the documents requested include all documents created within the time period **February 1, 2012, through the date of this request.**

2. The documents requested shall be produced as they are kept in the usual course of business or shall be organized and labeled to correspond with the categories in the request.

3. Your response shall state, with respect to each item or category, that inspection and related activities shall be permitted as requested by the Department unless the request is objected to, in which event the reasons for the objection shall be stated. If objection is made to part of an item or category, the part shall be specified.

4. This request is intended to be deemed continuing in character, so as to request you to properly amend or supplement your response if you obtain further material information.

5. If any document is withheld for any reason including, but not limited to, any alleged claim of privilege, confidentiality or trade secret, or for any other reason or objection, please provide a description of the document being withheld that includes the following:

- a. The date of the document;
- b. The author of the document;
- c. The recipient of the document;

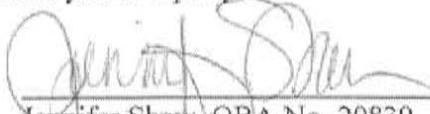
- d. All persons to whom copies of the document have been furnished;
- e. The subject matter of the document;
- f. The file in which the document is kept in the normal course of business;
- g. The current custodian of the document; and
- h. The nature of the privilege or other reason for not producing the document and sufficient description of the facts surrounding the contents of the document to justify withholding the document under said privilege or reason.

6. If any document responsive to this request was, but is no longer in your possession, custody, or control, or in existence, state whether it (a) is missing or lost; (b) has been destroyed; (c) has been transferred voluntarily or involuntarily to others; or (d) has been otherwise disposed of, and in each instance explain the circumstances surrounding the authorization of such disposition and state the date or approximate date thereof.

DOCUMENTS REQUESTED

1. All documents that reflect, memorialize or relate to any form of communication between you and Frank H. Black or anyone on his behalf.
2. All documents provided by you to Frank H. Black or anyone on his behalf.
3. All documents that reflect, memorialize or relate to any form of communication between you and Southeast Investments, N.C. Inc. or anyone on its behalf.
4. All documents provided by you to Southeast Investments, N.C. Inc. or anyone on its behalf.
5. All contracts and/or agreements between and/or among you, Southeast Investments, N.C. Inc., and/or Frank H. Black.
6. All documents relating to the disclosure and approval of your office located at 9801 Royal Lane, Dallas, Texas 75231 (Second Office).
7. All documents used by you bearing the Second Office address including, but not limited to, advertising materials, letterhead, business cards and/or any other writing.
8. All telephone records for Watkins and Associates Financial Services; your primary office located at 46. E 16th St., Tulsa, OK; the Second Office, and your cell phone including, but not limited to, detailed bills and call history logs.
9. All documents that reflect, memorialize or relate to any form of communication between you and Ronica Watkins or anyone on her behalf.
10. All documents provided by you to Ronica Watkins or anyone on her behalf.

11. All documents that reflect, memorialize or relate to any form of communication between you and Clifford Alprin or anyone on his behalf.
12. All documents provided by you to Clifford Alprin or anyone on his behalf.
13. All documents that reflect, memorialize or relate to any form of communication between you and Brenda Walker or anyone on her behalf.
14. All documents provided by you to Brenda Walker or anyone on her behalf.
15. All documents that reflect, memorialize or relate to any form of communication between you and Troy Shawn Reed or anyone on his behalf.
16. All documents provided by you to Troy Shawn Reed or anyone on his behalf.
17. All documents that reflect, memorialize or relate to any form of communication between you and Lonnie Lewis or anyone on his behalf.
18. All documents provided by you to Lonnie Lewis or anyone on his behalf.
19. All documents that reflect, memorialize or relate to any form of communication between you and Terry Payne or anyone on his or her behalf.
20. All documents provided by you to Terry Payne or anyone on his or her behalf.
21. All documents that reflect, memorialize or relate to any form of communication between you and Carolyn Williams or anyone on her behalf.
22. All documents provided by you to Carolyn Williams or anyone on her behalf.
23. All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party.



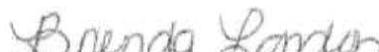
Jennifer Shaw, OBA No. 20839
Amanda Commesser, OBA No. 20044
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700
Facsimile: (405) 280-7742
Email: jshaw@securities.ok.gov
acommesser@securities.ok.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 4th day of November, 2013, a true and correct copy of the above and foregoing *First Requests to Larry Watkins, Jr. to Produce Documents* was emailed and mailed by first-class mail with postage prepaid thereon, to the following:

Patrick O. Waddel, OBA No. 9254
1700 Williams Center Tower
One W. 3rd Street
Tulsa, OK 74103-3522
Telephone: (918) 794- 4942
Facsimile: (918) 588-1314
pwaddel@sneedlangherrold.com

*Attorney for Respondents Rodney Larry Watkins, Jr.
Southeast Investments, N.C., Inc. and Frank H. Black*



Brenda London, Paralegal

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

In the Matter of:

Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451);

Respondents.

ODS File No. 12-058

**FIRST REQUESTS TO SOUTHEAST INVESTMENTS, N.C. INC.
TO PROUCE DOCUMENTS**

The Oklahoma Department of Securities (Department) hereby requests, pursuant to 660:2-9-3(b) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (as amended July 1, 2007) (Rules), that Respondent Southeast Investments, N.C. Inc. produce, **within fifteen (15) days**, the below-described documents in its possession, custody, or control, at the offices of the Department located at 120 North Robinson Avenue, Suite 860, Oklahoma City, Oklahoma 73102.

DEFINITIONS

1. As used herein, the terms "you" or "your" refer to Southeast Investments, N.C. Inc. and all employees, agents, representatives, attorneys or other persons acting or purporting to act on its behalf.
2. As used herein, the term "Department" shall refer to the Oklahoma Department of Securities.
3. As used herein, the term "communication" means any oral statement, dialogue, colloquy, discussion or conversation, and also means any transfer of thoughts or ideas between persons by means of documents, and includes any transfer of data from one location to another by electronic or similar means.
4. As used herein, the term "document" or "writing" means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limitation; any invoice, bill, order form, receipt, financial statement, account statement, accounting entry, diary, written material, book, file, note, pamphlet, periodical, letter, memorandum (including any memorandum or report of a meeting), calendar, telex, telegram, cable, report, record, contract, agreement, study, handwritten note, working paper, chart, print, laboratory record, drawing.

sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing card, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced. "Document" or "writing" shall also mean all computer generated data including, but not limited to, spreadsheets, databases, graphics, charts and presentations, electronic mail messages, electronic facsimiles, scanned material, or all computer generated data stored on removable storage media, including, but not limited to, 3.5" and 5.25" floppy disks, rewritable optical disks, cd-recordable disks, flash memory, removable hard drives, backup and archive tape cartridges, reels and cassettes, or fixed storage media, including, but not limited to, internal hard drives, external hard drives, and Local Area Network drives.

5. As used herein, the terms "relation," "pertaining to," "relating to," "relate to," or "related" mean pertaining in any way to, referring to, reflecting, recording, memorializing, mentioning, constituting, describing, or concerning, directly or indirectly.

6. The following rules of construction apply to this request:

- a. the connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the attachment all responses that might otherwise be construed to be outside of its scope; and
- b. the use of the singular form of any word includes the plural and vice versa.

INSTRUCTIONS

1. Unless otherwise set forth in a specific document request, the documents requested include all documents created within the time period **February 1, 2012, through the date of this request.**

2. The documents requested shall be produced as they are kept in the usual course of business or shall be organized and labeled to correspond with the categories in the request.

3. Your response shall state, with respect to each item or category, that inspection and related activities shall be permitted as requested by the Department unless the request is objected to, in which event the reasons for the objection shall be stated. If objection is made to part of an item or category, the part shall be specified.

4. This request is intended to be deemed continuing in character, so as to request you to properly amend or supplement your response if you obtain further material information.

5. If any document is withheld for any reason including, but not limited to, any alleged claim of privilege, confidentiality or trade secret, or for any other reason or objection, please provide a description of the document being withheld that includes the following:

- a. The date of the document;
- b. The author of the document;
- c. The recipient of the document;

- d. All persons to whom copies of the document have been furnished;
- e. The subject matter of the document;
- f. The file in which the document is kept in the normal course of business;
- g. The current custodian of the document; and
- h. The nature of the privilege or other reason for not producing the document and sufficient description of the facts surrounding the contents of the document to justify withholding the document under said privilege or reason.

6. If any document responsive to this request was, but is no longer in your possession, custody, or control, or in existence, state whether it (a) is missing or lost; (b) has been destroyed; (c) has been transferred voluntarily or involuntarily to others; or (d) has been otherwise disposed of, and in each instance explain the circumstances surrounding the authorization of such disposition and state the date or approximate date thereof.

DOCUMENTS REQUESTED

1. All documents that reflect, memorialize or relate to any form of communication between you and Rodney Larry Watkins, Jr. or anyone on his behalf.
2. All documents provided by you to Rodney Larry Watkins, Jr. or anyone on his behalf.
3. All contracts and/or agreements between you and Rodney Larry Watkins, Jr.
4. All documents relating to the disclosure and your approval of the office location of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. at 46 E. 16th Street, Tulsa, Oklahoma 74119 (Primary Office) including, but not limited to, any Form BD amendments.
5. All documents relating to the disclosure and your approval of the office location of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. at 9801 Royal Lane, Dallas, Texas 75231 (Second Office) including, but not limited to, any Form BD amendments.
6. All documents reflecting or relating to your authorization of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. to use the Second Office address on advertising materials, letterhead, business cards, and/or any other writing.
7. All reports of internal audits, inspections and/or examinations of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. at all office locations.
8. All documents relating to the supervision of Rodney Larry Watkins, Jr. including, but not limited to, emails, correspondence, and identification of Rodney Larry Watkins, Jr.'s office location(s).

9. All agreements you have with Rodney Larry Watkins, Jr. regarding office location, reimbursement of expenses for office space, and/or expense sharing agreements.

10. All records relating to customers of Watkins & Associates Financial Services and Rodney Larry Watkins, Jr. including, but not limited to, agreements, correspondence, customer meeting notes, invoices, customer account statements, front and back of all cancelled checks received into and/or disbursed from the customer accounts, incoming and outgoing wire transfers in and/or from the customer accounts and deposits into the customer accounts with all supporting items.

11. All of your written supervisory procedures.

12. All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party.



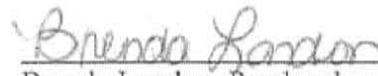
Jennifer Shaw, OBA No. 20839
Amanda Commesser, OBA No. 20044
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700
Facsimile: (405) 280-7742
Email: jshaw@securities.ok.gov
acommesser@securities.ok.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 4th day of November, 2013, a true and correct copy of the above and foregoing *First Requests to Southeast Investments, N.C. Inc. to Produce Documents* was emailed and mailed by first-class mail with postage prepaid thereon, to the following:

Patrick O. Waddel, OBA No. 9254
1700 Williams Center Tower
One W. 3rd Street
Tulsa, OK 74103-3522
Telephone: (918) 794- 4942
Facsimile: (918) 588-1314
pwaddel@sneedlangherrold.com

*Attorney for Respondents Rodney Larry Watkins, Jr.
Southeast Investments, N.C., Inc. and Frank H. Black*



Brenda London, Paralegal

S N E E D  L A N G P C

Writer:
J. David Jorgenson
Of Counsel

E-mail:
djorgenson@sneedlang.com

November 26, 2013

Ms. Jennifer Shaw
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson Ave., Station 860
Oklahoma City, OK 73102

Re: In the Matter of:
Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451); Respondents. ODS File No. 12-058

Dear Ms. Shaw:

We are transmitting electronically herewith documents responsive to the Department's two requests filed November 4, 2013, along with an electronic version of this letter in PDF format. We also attach a copy of the document production grid that we also transmitted yesterday via e-mail (Attachment 1). A hard copy of this letter, its attachments and a cd-rom containing the documents are being sent via fed-ex also.

As you know, we transmitted yesterday a proposed Counsel Confidentiality Agreement (a copy is attached hereto as Attachment 2 and is called hereafter "Proposed Confidentiality Agreement"). The Proposed Confidentiality Agreement replicates the basic provisions found in "typical" protective orders in matters litigated in Oklahoma and federal courts (I put "typical" in quote marks because, in my experience, many such orders are considerably *more* restrictive than what we proposed). You advised via e-mail that the Department cannot agree to any of the

proposed confidentiality restrictions and directed my attention to the Public Records provision of the Oklahoma Securities Act, 71 O.S. § 1-607. This letter will address (i) matters of confidentiality regarding the documents produced herewith and (ii) issues relating to the scope of the production.

DOCUMENTS MARKED "CONFIDENTIAL"

We have marked as "CONFIDENTIAL" certain of the documents. The documents so marked are Mr. Watkins' phone records and the account statements of the six customers of Southeast that are named in the Enforcement Division Recommendation filed in the captioned proceeding on March 26, 2013 ("Recommendation"). We have so marked the documents *rather than* redacting irrelevant, undiscoverable information from those documents. The bases for so designating the produced documents are those set forth in paragraph 2 of the Proposed Confidentiality Agreement. We note that, under the Department's Rule 660:2-9-3(b), documents are discoverable only if they are "relevant to the subject matter of the individual proceeding." This, of course, is a much *narrower* scope than that provided by the Oklahoma Discovery Code and the Federal Rules of Civil Procedure, each of which allows discovery of documents "reasonably calculated to lead to admissible evidence." The reasons for the claim of confidentiality, as it relates to (i) Southeast customer account statements and (ii) Mr. Watkins' phone records, are addressed in that order immediately below.

(i) *Customer statements.* Only information relating to the thirteen transactions delineated in the Recommendation is relevant to the subject matter of the captioned proceeding and hence only that information is discoverable under Rule 660:2-9-3(b). By clear implication of that rule, we could have redacted the balance of the customer statements, which contain information about utterly unrelated transactions and holdings. We have chosen *not* to do that and to produce the unredacted documents, in part to assure that the Department (without the need of counsel affidavits and the like) can determine for itself that the unrelated information is in fact unrelated. The gist of the Proposed Confidentiality Agreement was that, in addition to the privacy mandates of 71 O.S. § 1-607, the Department *itself* (i) would use the confidential information, if at all, only for purposes of the captioned proceeding, (ii) would share the confidential information only with those who have a "need to know" (this would have included everyone working on the matter, including all lawyers and staff), and (iii) would return or destroy documents containing that information when the captioned matter is finally, unappealably terminated. In light of the discovery scope allowed by Rule 660:2-9-3(b), we respectfully suggest that these are not unreasonable restrictions and ask that they be observed with respect to the confidential information included in the account statements.

(ii) *Watkins' phone records.* The phone records produced include a detail of numerous calls made (i) by Mr. Watkins to a wide array of parties other than the six customers that are the subject of the Recommendation, including personal calls, and (ii) calls made by other parties on the same telecom account. Again we have produced the *unredacted* records for the same reasons as suggested in paragraph (i) above. Again the calls by and to third parties other than the named customers are irrelevant under Rule 660:2-9-3(b). And again we simply ask that the unrelated calls be treated as confidential information and dealt with as suggested in paragraph (i) above.

SCOPE ISSUES

The Department's two document requests seek production of all documents dated or generated between February 1, 2012 and the date of the production. As you know, we have objected to the time scope and specifically to the request for documents postdating August 26, 2012. Copies of Southeast's and Watkins' responses are attached hereto as Attachments 3 and 4 respectively. In this connection, we direct your attention again to Rule 660:2-9-3(b).

With regard to account statements, we have waived our objection and produced all statements that reflect any of the transactions that are the subject of the Recommendation. With regard to Mr. Watkins' phone records, we have waived our objection, in part, and produced all phone bills through year-end 2012. We stand by our scope objection with respect to the balance of the requests. We would note in this regard that, with respect to customer account statements, *no* account statements other than those produced contain *any* information that is discoverable under Rule 660:2-9-3(b) or that indeed would be discoverable under more liberal discovery rules. Phone records post-dating December, 2012 are similarly irrelevant.

PRIOR PRODUCTION

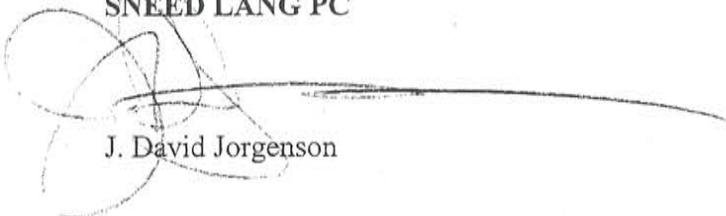
Southeast advises that it has previously produced its e-mail files and ordering documents such as trade confirmations and the like. Retrieving those records took time away from the Company's business and significant personnel time. Be that as it may, we do not see a basis in the Department Rules for a requirement that this effort be duplicated. Again our experience (strictly by way of analogy) in litigation in the state and federal courts has been that a producing party will not be required to produce documents already in the possession of the requesting party.

Ms. Jennifer Shaw, Enforcement Attorney
November 26, 2013
Page 4 of 4

This is especially true when the requesting party has possession of the documents precisely because they previously were delivered by the producing party. We are confident that any "re-produced" documents would be in identical form. Nevertheless we would be glad to consider any bases you may have for requiring a wholly duplicative production, if you will advise of those bases.

Sincerely,

SNEED LANG PC



J. David Jorgenson

JDJ:mjw
Enclosures

cc: Rodney Larry Watkins and Frank H. Black
Patrick O. Waddel, Esq.

Sneed, Lang

LITGISTIX

Five East Fifth Street
Tulsa, OK 74103
(918) 585-5875



compact
disc

11/25/13

re: Watkins

SE-00001 - SE-00344
RLW-00001 - RLW-00102

.pdf

ATTACHMENT

1

WATKINS/SOUTHEAST DOCUMENT PRODUCTION GRID

DOCUMENT ID NUMBERS	CATEGORY OF DOCUMENTS
RLW-00001 to 00096 (Confidential)	Rodney Watkins phone records
RLW-00097 to 00102	Rodney Watkins e-mails with Southeast
SE-00001 to SE-00008	Compliance materials
SE-00009 to SE-00017	Independent Contractor Agreement
SE-000018 to SE-00025	Contract documents between Southeast and Watkins
SE-000026 to SE-00147	Southeast Written Supervisory Procedures
SE-000148 to SE-00344 (Confidential)	Account Statements

ATTACHMENT

2

Counsel Confidentiality Agreement

By this Counsel Confidentiality Agreement (“Agreement”) among counsel to the proceeding identified as ODS File No. 12-058 (“the Proceeding”), which counsel represent the Oklahoma Department of Securities (“ODS”), Rodney Larry Watkins, Jr. (“Watkins”), Southeast Investments, N.C. Inc. (“Southeast”) and Frank Black (“Black”), such counsel agree for themselves and their respective clients as follows:

1. Any party producing documents in the Proceeding (“Producing Party”) may designate all or any part of a produced document as “Confidential Information,” as defined in the next paragraph. Such designation shall be made by placing or affixing on the Document, in a manner which will not interfere with its legibility, the word “CONFIDENTIAL.” Alternatively, a Producing Party may designate material as Confidential Information by giving a written notice with reasonably specific designation and description.

2. The “Confidential Information” protected by this Agreement is information included within documents that contain personal, non-public, trade secret, proprietary, or confidential information that is treated by the proprietor or holder thereof as confidential, including but not limited to, commercial, business, financial, personnel, research, development, medical or other commercial or personal information that the designating party in good faith believes requires the protections of this Agreement. Those documents are called in this Agreement “Confidential Documents.” Without limitation of the foregoing, all information relating to persons or entities that are not parties to the Proceeding (including, e.g., information regarding holdings of Southeast customers, which holdings are not the subject of the Proceeding) are Confidential Information.

3. Other than as permitted by this Agreement, no person may review, examine, or make copies of any Confidential Documents or any part thereof other than those permitted by this Agreement. Upon the final determination of the Proceeding or termination in connection with an executed settlement agreement, all originals, copies, and derivatives of all Confidential Documents shall be returned to counsel for the Producing Party. Alternatively, the party to whom the Confidential Documents were produced shall certify in writing, within thirty (30) days after such final determination/termination, that such documents have been destroyed. Notwithstanding anything to the contrary hereinabove, this Agreement will not require a party to return any Confidential Documents that originated from that party.

4. The persons permitted to review, examine, or make copies of any Confidential Documents under this Agreement are all counsel for any party, persons assisting such counsel, including legal assistants and secretarial personnel, the parties to the Proceeding and expert witnesses or consultants engaged for the Proceeding, provided that any expert witness or consultant shall agree in writing to be bound by this Agreement. All such persons agree that the Confidential Documents will be used in connection with the Proceeding only and for no other purpose.

5. Upon the final determination of this Proceeding or other final disposition or termination of the Proceeding (including any such termination or disposition in connection with a settlement or consent decree), the undersigned counsel shall permit the Oklahoma Securities Commission or the ODS to return to counsel or destroy any Confidential Documents that have been submitted to such entities.

6. This Agreement does not impair the right of any party to bring to the attention of any tribunal at any time the question of whether any particular document or item of information is in fact "CONFIDENTIAL" or whether its use should be restricted.

7. This Agreement and the obligation to maintain confidentiality shall survive the termination of the Proceeding.

8. The undersigned counsel have authority to execute this Agreement on behalf of their respective clients and all of the other persons identified herein, with the exception of expert witnesses and consultants.

SNEED LANG PC

By _____
J. David Jorgenson

Attorneys for Watkins, Southeast and Black

Jennifer Shaw

Attorney for ODS

ATTACHMENT

3

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

In the Matter of:

Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451);

Respondents.

ODS File No. 12-058

**RESPONDENT SOUTHEAST INVESTMENTS, N.C. INC.' S RESPONSES
TO THE DEPARTMENT'S FIRST REQUESTS TO PRODUCE DOCUMENTS**

Respondent Southeast Investments, N.C. Inc. ("Southeast") responds to the First Request to Produce Documents ("First Request") propounded by the Oklahoma Department of Securities (the "Department") as follows.

GENERAL OBJECTIONS

(1) Southeast objects to all requests that call for information protected from disclosure by the attorney-client and/or attorney work product doctrine. Southeast also objects to requests that seek information that is irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at the hearing in this cause.

(2) Certain of the Department's requests may call for information and documents not in the possession, custody or control of Southeast, which documents may or may not be in the possession, custody or control of persons or entities over which Southeast has no control. Southeast objects to all such requests.

(3) The Department's "Instructions" state the time scope for production as "February 1, 2012, through the date of this request." Southeast objects to such time scope and objects to

production of any documents dated or generated after August 26, 2012. Without waiving that objection, documents to which the "Responses to Individual Requests" below do not object on other grounds nevertheless will be produced.

(4) Southeast objects to the Department's definitions of "document" and "writing" insofar as such definitions are broader than, or purport to require production of documents beyond the scope of, the definitions of such terms recognized by Oklahoma law in (i) the Oklahoma Discovery Code and cases applying and construing the same and (ii) the Oklahoma Evidence Code and cases applying and construing the same. Without limitation of the foregoing, Southeast objects to (i) duplicative production of documents in both hard copy and computer-readable form and (ii) the production of "hard drives" and all other electronic storage media that contain information that has no relevance to this proceeding, *insofar as* the Request purports to require production of such media *in addition to* relevant electronic or hard copy documents downloaded or printed from such media. Without limitation of the foregoing, attention is directed to 12 O.S. § 3234 and 12 O.S. § 3001.

RESPONSES TO INDIVIDUAL DOCUMENT REQUESTS

1. All documents that reflect, memorialize or relate to any form of communication between you and Rodney Larry Watkins, Jr. or anyone on his behalf.

Response to Request No. 1: Subject to the General Objections, documents in Southeast's possession, custody or control will be produced. The only such documents are saved e-mails between Southeast personnel and Mr. Watkins, which will be downloaded and produced.

2. All documents provided by you to Rodney Larry Watkins, Jr. or anyone on his behalf.

Response to Request No. 2: Subject to the General Objections, documents in Southeast's possession, custody or control will be produced. The responsive documents are compliance materials provided to Mr. Watkins and his signed contract. All such materials have heretofore been produced directly to the Department.

3. All contracts and/or agreements between you and Rodney Larry Watkins, Jr.

Response to Request No. 3: *See* Response to Request No. 2 above.

4. All documents relating to the disclosure and your approval of the office location of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. at 46 E. 16th Street, Tulsa, Oklahoma 74119 (Primary Office) including, but not limited to, any Form BD amendments.

Response to Request No. 4: Southeast will produce responsive documents in its possession, custody or control. So far as Southeast can determine the only responsive documents are forms BD that may refer to the address.

5. All documents relating to the disclosure and your approval of the office location of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. at 9801 Royal Lane, Dallas, Texas 75231 (Second Office) including, but not limited to, any Form BD amendments.

Response to Request No. 5: So far as Southeast can determine, no such documents exist.

6. All documents reflecting or relating to your authorization of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. to use the Second Office address on advertising materials, letterhead, business cards, and/or any other writing.

Response to Request No. 6: So far as Southeast can determine, no such "authorization documents" exist, nor do the materials described in Request No. 6.

7. All reports of internal audits, inspections and/or examinations of Watkins & Associates Financial Services and/or Rodney Larry Watkins, Jr. at all office locations.

Response to Request No. 7: No such documents exist.

8. All documents relating to the supervision of Rodney Larry Watkins, Jr. including, but not limited to; emails, correspondence, and identification of Rodney Larry Watkins, Jr.'s office location(s).

Response to Request No. 8: Southeast objects to Request No. 8 because the phrase "relating to the supervision of" is vague, ambiguous and overbroad, making it impossible to understand what is being requested. Southeast's best interpretation of Request No. 8 suggests that such request is duplicative of prior requests and Southeast knows of no documents that relate specifically to "supervision."

9. All agreements you have with Rodney Larry Watkins, Jr. regarding office location, reimbursement of expenses for office space, and/or expense sharing agreements.

Response to Request No. 9: No such documents exist.

10. All records relating to customers of Watkins & Associates Financial Services and Rodney Larry Watkins, Jr. including, but not limited to, agreements, correspondence, customer meeting notes, invoices, customer account statements, front and back of all cancelled checks received into and/or disbursed from the customer accounts, incoming and outgoing wire transfers in and/or from the customer accounts and deposits into the customer accounts with all supporting items.

Response to Request No. 10: Southeast objects to Request No. 10 because it is overbroad, burdensome and not calculated to lead to evidence admissible in this proceeding. Southeast will produce without objection all documents showing the details of the specific transactions that are listed in paragraphs 11 through 24 of the Enforcement Division Recommendation filed herein on May 26, 2013.

11. All of your written supervisory procedures.

Response to Request No. 11: See Response to Request No. 2 above. Southeast knows of no other responsive documents.

12. All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party.

Response to Request No. 12: All such documents are available to the Department, and it is Southeast's understanding and belief that the Department has password access to, the Central Registration Depository ("CRD") database maintained by the Financial Industry Regulatory Authority. Southeast does not maintain a separate hard-copy or electronic file of the materials stored in the CRD.

Respectfully submitted,

Dated: November 18th, 2013

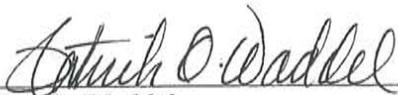
By: 
Patrick O. Waddel, OBA #9254
SNEED LANG PC
One West Third Street, Suite 1700
Tulsa, OK 74103
(918) 588-1313
(918) 588-1314 Facsimile

Counsel for Southeast Investments, N.C. Inc.

CERTIFICATE OF SERVICE

The undersigned certifies that on the 18th day of November, 2013, a true and correct copy of the above and foregoing *Respondent Southeast Investments, N.C. Inc. 's Responses to the Department's First Requests to Produce Documents* was both emailed and mailed by U.S. Mail, postage prepaid, to:

Oklahoma Department of Securities
Irving L. Faught, Administrator
Attn: Jennifer Shaw
Amanda Cornmesser
120 North Robinson, Suite 860
Oklahoma City, OK 73102



Patrick O. Waddel

ATTACHMENT

4

11-18-13

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

In the Matter of:

Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451);

Respondents.

ODS File No. 12-058

**RESPONDENT RODNEY L. WATKINS, JR.'S RESPONSES
TO THE DEPARTMENT'S FIRST REQUESTS TO PRODUCE DOCUMENTS**

Respondent Rodney L. Watkins, Jr. ("Watkins") responds to the First Request to Produce Documents ("First Request") propounded by the Oklahoma Department of Securities (the "Department") as follows.

GENERAL OBJECTIONS

(1) Watkins objects to all requests that call for information protected from disclosure by the attorney-client and/or attorney work product doctrine. Watkins also objects to requests that seek information that is irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at the hearing in this cause.

(2) Certain of the Department's requests may call for information and documents not in the possession, custody or control of Watkins, which documents may or may not be in the possession, custody or control of persons or entities over which Watkins has no control. Watkins objects to all such requests.

(3) The Department's "Instructions" state the time scope for production as "February 1, 2012, through the date of this request." Watkins objects to such time scope and objects to

production of any documents dated or generated after August 26, 2012. Without waiving that objection, documents to which the "Responses to Individual Requests" below do not object on other grounds nevertheless will be produced.

(4) Watkins objects to the Department's definitions of "document" and "writing" insofar as such definitions are broader than, or purport to require production of documents beyond the scope of, the definitions of such terms recognized by Oklahoma law in (i) the Oklahoma Discovery Code and cases applying and construing the same and (ii) the Oklahoma Evidence Code and cases applying and construing the same. Without limitation of the foregoing, Watkins objects to (i) duplicative production of documents in both hard copy and computer-readable form and (ii) the production of "hard drives" and all other electronic storage media that contain information that has no relevance to this proceeding, *insofar as* the Request purports to require production of such media *in addition to* relevant electronic or hard copy documents downloaded or printed from such media. Without limitation of the foregoing, attention is directed to 12 O.S. § 3234 and 12 O.S. § 3001.

RESPONSES TO INDIVIDUAL DOCUMENT REQUESTS

1. All documents that reflect, memorialize or relate to any form of communication between you and Frank H. Black or anyone on his behalf.

Response to Request No. 1. Subject to the General Objections, documents in Watkins' possession, custody or control will be produced. The only such documents in Watkins' possession, custody or control are saved e-mails to and from Mr. Black, which will be downloaded and produced.

2. All documents provided by you to Frank H. Black or anyone on his behalf.

Response to Request No. 2. Subject to the General Objections, documents in Watkins' possession, custody or control will be produced. The only such document in Watkins' possession, custody or control is a copy of his contract with Southeast Investments, N.C. Inc. ("Southeast").

3. All documents that reflect, memorialize or relate to any form of communication between you and Southeast Investments, N.C. Inc. or anyone on its behalf.

Response to Request No. 3. Subject to the General Objections, documents in Watkins' possession, custody or control will be produced. The only such documents in Watkins'

possession, custody or control are saved e-mails to and from Southeast personnel which will be downloaded and produced

4. All documents provided by you to Southeast Investments, N.C. Inc. or anyone on its behalf.

Response to Request No. 4. The only document "provided to him" was the contract with Southeast prior to his execution of the same and copies of compliance materials provided to him by Southeast. Watkins understands that copies of those materials will be produced by Southeast. See Response to Request No. 2 above.

5. All contracts and/or agreements between and/or among you, Southeast Investments, N.C. Inc., and/or Frank H. Black.

Response to Request No. 5. See Responses to Requests Nos. 2 and 4 above.

6. All documents relating to the disclosure and approval of your office located at 9801 Royal Lane, Dallas, Texas 75231 (Second Office).

Response to Request No. 6. Watkins objects to Request No. 6 because it is not clear what that request means by "disclosure and approval." Subject to such objection, Watkins states that he does not have possession, custody or control of, and knows of no documents that he believes to be responsive to, Request No. 6.

7. All documents used by you bearing the Second Office address including, but not limited to, advertising materials, letterhead, business cards and/or any other writing.

Response to Request No. 7. Watkins does not have possession, custody or control of, and knows of no documents that are responsive to, Request No. 7.

8. All telephone records for Watkins and Associates Financial Services; your primary office located at 46. E 16th St., Tulsa, OK [sic]; the Second Office, and your cell phone including, but not limited to, detailed bills and call history logs.

Response to Request No. 8. Watkins' Tulsa office is located at 46 E. 16th St. Tulsa, OK. Request No. 8 on its face asks for documents that are not relevant to this proceeding (e.g., records of personal phone calls) and are not calculated to lead to the discovery of admissible evidence. In addition Watkins does not have possession, custody or control of hard copy print-outs of phone bills. Subject to the General Objections (see, especially, General Objection No. 1), phone bill details that can be retrieved from the service provider will be produced, redacted to show only calls related to the subject matter of this proceeding, along with Watkins' call log redacted to show only calls related to the subject matter of this proceeding.

9. All documents that reflect, memorialize or relate to any form of communication between you and Ronica Watkins or anyone on her behalf.

Response to Request No. 9. Watkins does not have possession, custody or control of, and knows of no documents responsive to Request No. 9, that relate in any way to the subject matter of this proceeding (Ms. Watkins is Mr. Watkins' sister). *See* General Objection No. 1 above.

10. All documents provided by you to Ronica Watkins or anyone on her behalf.

Response to Request No. 10. Watkins does not have possession, custody or control of and knows of no documents responsive to Request No. 10, that relate in any way to the subject matter of this proceeding. *See* General Objection No. 1 above.

11. All documents that reflect, memorialize or relate to any form of communication between you and Clifford Alprin or anyone on his behalf.

Response to Request No. 11. Watkins does not have possession, custody or control of any documents responsive to Request No. 11.

12. All documents provided by you to Clifford Alprin or anyone on his behalf.

Response to Request No. 12. Watkins does not have possession, custody or control of any documents responsive to Request No. 12.

13. All documents that reflect, memorialize or relate to any form of communication between you and Brenda Walker or anyone on her behalf.

Response to Request No. 13. Watkins does not have possession, custody or control of any documents responsive to Request No. 13.

14. All documents provided by you to Brenda Walker or anyone on her behalf.

Response to Request No. 14. Watkins does not have possession, custody or control of any documents responsive to Request No. 14.

15. All documents that reflect, memorialize or relate to any form of communication between you and Troy Shawn Reed or anyone on his behalf.

Response to Request No. 15. Watkins does not have possession, custody or control of any documents responsive to Request No. 15.

16. All documents provided by you to Troy Shawn Reed or anyone on his behalf.

Response to Request No. 16. Watkins does not have possession, custody or control of any documents responsive to Request No. 16.

17. All documents that reflect, memorialize or relate to any form of communication between you and Lonnie Lewis or anyone on his behalf.

Response to Request No. 17. Watkins does not have possession, custody or control of any documents responsive to Request No. 17.

18. All documents provided by you to Lonnie Lewis or anyone on his behalf.

Response to Request No. 18. Watkins does not have possession, custody or control of any documents responsive to Request No. 18.

19. All documents that reflect, memorialize or relate to any form of communication between you and Terry Payne or anyone on his or her behalf.

Response to Request No. 19. Watkins does not have possession, custody or control of any documents responsive to Request No. 19.

20. All documents provided by you to Terry Payne or anyone on his or her behalf.

Response to Request No. 20. Watkins does not have possession, custody or control of any documents responsive to Request No. 20.

21. All documents that reflect, memorialize or relate to any form of communication between you and Carolyn Williams or anyone on her behalf.

Response to Request No. 21. Watkins does not have possession, custody or control of any documents responsive to Request No. 21.

22. All documents provided by you to Carolyn Williams or anyone on her behalf.

Response to Request No. 22. Watkins does not have possession, custody or control of any documents responsive to Request No. 22.

23. All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party.

Response to Request No. 23. Watkins does not have possession, custody or control of, any documents responsive to Request No. 23. It is Watkins' understanding, however, that all such documents are available to the Department, and that the Department has password access to, the Central Registration Depository database maintained by the Financial Industry Regulatory Authority.

Respectfully submitted,

Dated: November 18, 2013



Patrick O. Waddel, OBA #9254
SNEED LANG PC
One West Third Street, Suite 1700
Tulsa, OK 74103
(918) 588-1313
(918) 588-1314 Facsimile
Counsel for Rodney Larry Watkins, Jr.

CERTIFICATE OF SERVICE

The undersigned certifies that on the 18th day of November, 2013, a true and correct copy of the above and foregoing *Respondent Rodney L. Watkins, Jr.'s Responses to the Department's First Requests to Produce Documents* was both emailed and mailed by U.S. Mail, postage prepaid, to:

Oklahoma Department of Securities
Irving L. Faught, Administrator
Attn: Jennifer Shaw
Amanda Cornmesser
120 North Robinson, Suite 860
Oklahoma City, OK 73102



Patrick O. Waddel

From: (918) 588-1313
Martha Welker, Legal Assistant
Sneed Lang, PC
1 West 3rd Street
Suite 1700
TULSA, OK 74103

Origin ID: TULA



Ship Date: 26NOV13
ActWgt: 2.0 LB
CAD: 3093927/INET3430

Delivery Address Bar Code



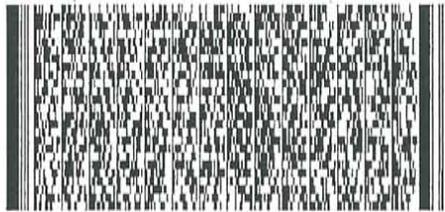
SHIP TO: (405) 280-7700 **BILL SENDER**
Jennifer Shaw, Enforcement Atty.
OK Dept. of Securities
120 N. Robinson Ave., Station 860

OKLAHOMA CITY, OK 73102

Ref # Watkins 4782.1
Invoice #
PO #
Dept #

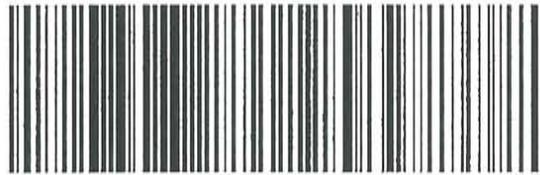
WED - 27 NOV 8:00A
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IRVING L. FAUGHT
ADMINISTRATOR



MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES

December 20, 2013

VIA Electronic Mail and Facsimile

Patrick O. Waddel
1700 Williams Center Tower
One W. 3rd Street
Tulsa, OK 74103-3522

RE: ODS File 12-058
Watkins, Rodney Larry,
Black, Frank H., and
Southeast Investments, N.C. Inc.

Dear Mr. Waddel:

Thank you for agreeing to the extension of time to respond to *Respondent's Motion for Summary Disposition* (Motion).

The Department has the following issues with the discovery responses provided by Respondents.

A. Rodney Watkins Discovery Issues:

1. The defined scope of time for the discovery requests is February 1, 2012 to November 4, 2013. This period of time is relevant to a determination of whether Watkins was transacting business as an agent in violation of §1-402 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011). As you are aware, the March 26, 2013 Enforcement Division Recommendation described transactions that occurred after August 26, 2012.
2. The production requests seeking documents provided by Watkins to his clients address client records required to be maintained by Watkins. (See Production Request Numbers 10, 12, 14, 16, 18, 20 and 22).

3. Production Request No. 4 states: "All documents provided by you to Southeast Investments, N.C. Inc. or anyone on its behalf." The response should include advertising materials, letterhead, business cards, website content, order tickets, new account forms, and/or any other responsive writing that is required to be maintained by Watkins according to Southeast's written supervisory procedures.
4. Production Request No. 23 states: "All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party." These records shall include any correspondence and/or pleadings. Such records are not otherwise available to the Department.

B. Southeast Investments Discovery Issues:

1. The defined scope of time for the discovery requests is February 1, 2012 to November 4, 2013. This period of time is relevant to a determination of whether Watkins was transacting business as an agent in violation of §1-402 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011). As you are aware the March 26, 2013 Enforcement Division Recommendation described transactions that occurred after August 26, 2012.
2. Southeast's prior production was limited in scope and was produced over a year ago on October 29, 2012. The Department is seeking any and all responsive documents for the defined scope of time not previously provided by Southeast.
3. Production Request No. 1 states: "All documents that reflect, memorialize or relate to any form of communication between you and Rodney Larry Watkins, Jr. or anyone on his behalf." Southeast's response should include advertising materials, letterhead, business cards, website content, order tickets, new account forms, and/or any other responsive writing that is required to be maintained by Southeast according to the firm's written supervisory procedures.
4. Production Request No. 2 states: "All documents provided by you to Rodney Larry Watkins, Jr. or anyone on his behalf." Southeast's response should include operating procedures, records of daily trade activity, and payments to Watkins, and/or any *dba* used by Watkins, to include commissions, fees and reimbursements. The payment records should include front and back of all cancelled checks or wire instructions.
5. Production Request No. 3 states: "All contracts and/or agreements between you and Rodney Larry Watkins, Jr." The Department is in receipt of the Independent Contractor's Agreement but that agreement did not include the compensation arrangement between Southeast and Watkins. Therefore, the Department requests any and all documents between Southeast and Watkins, and/or any *dba* used by Watkins, relating to commissions, fees, reimbursements and/or any other form of payment.
6. Production Request No. 8 states: "All documents relating to the supervision of Rodney Larry Watkins, Jr. including, but not limited to, emails, correspondence, website material,

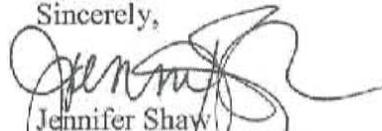
customer transactions, client records and identification of Rodney Larry Watkins, Jr.'s office location(s)." This request requires production of all documents relating to Watkins that are required to be documented and maintained according to Southeast's written supervisory procedures.

7. Production Request No. 10 requires production of all records relating to all customers of Watkins & Associates Financial Services, Rodney Larry Watkins, Jr. and/or Watkins & Associates Financial Services. Such records may reasonably lead to the discovery of relevant and admissible evidence as to Watkins' activities while not registered as an agent under the Act.
8. Production Request No. 12 states: "All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party." These records shall include any correspondence and/or pleadings. Such records are not otherwise available to the Department.

The Department expects full compliance with the discovery requests for the defined time period. The Department would request the production of these documents on or before January 10, 2014. Once these discovery issues are resolved and the Department receives production, the parties will establish a new due date for the Department's response to the Motion. Further, the depositions of Respondents Watkins and Black currently set in the *Agreed Scheduling Order* will need to be rescheduled to a time after Respondents' discovery production.

Please contact Amanda Cornmesser at (405) 280-7725 or me at (405) 280-7736 if you have any questions.

Sincerely,



Jennifer Shaw
Enforcement Attorney



1700 WILLIAMS CENTER TOWER I | ONE WEST THIRD STREET
TULSA, OKLAHOMA 74103-3522
TEL. 918-588-1313 | FAX 918-588-1314
HTTP://WWW.SNEEDLANG.COM



FACSIMILE OR ELECTRONIC TRANSMITTAL SHEET

January 31, 2014

TO: JENNIFER SHAW

COMPANY: OKLAHOMA DEPT. OF SECURITIES

FAX NO.: (405) 280-7742

E-MAIL:

FROM: PATRICK O. WADDEL

TOTAL NUMBER OF PAGES (including cover): 6

Re: ODS File 12-058

MESSAGE

In response to your fax/letter dated January 30, 2014, I am faxing herewith a copy of the letter requested. A copy will also be sent to you via email. Should you have any questions, please feel free to contact our office.

Patrick O. Waddel

EXHIBIT
5

NOTICE: THIS TRANSMISSION CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION intended only for the use of the Addressee(s) named above. If you are not the intended recipient of this transmission, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination or copying of this transmission is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone and return the original transmission to us at the above address via the U.S. Postal Service. Thank you. Contact Martha Welker at (918) 588-1313 if you have problems receiving this transmission.

S N E E D  L A N G P C

Writers
Patrick C. Wenzel

E-mail:
pwenzel@sneedlang.com

January 16, 2014

Via Email and First Class Mail

Ms. Jennifer Shaw
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson Ave., Station 860
Oklahoma City, OK 73102

Re: In the Matter of:
Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451); Respondents. ODS File No. 12-058

Dear Ms. Shaw:

This will respond to your letter of December 20, 2013 regarding the Department's document requests of November 4, 2013 to Rodney Larry Watkins ("11-4-13 Watkins Request") and Southeast Investments, N.C., Inc. ("11-4-13 Southeast Request"). Those parties' respective responses are called "Watkins Response" and Southeast Response" herein.

For convenience, we have reproduced the numbered paragraphs of your December 20 letter verbatim, followed in each case by our responses.

A. Rodney Watkins Discovery Issues:

1. The defined scope of time for the discovery requests is February 1, 2012 to November 4, 2013. This period of time is relevant to a determination of whether Watkins was transacting business as an agent in violation of §1-402 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011). As you are aware, the March 26, 2013 Enforcement Division Recommendation described transactions that occurred after August 26, 2012.

Response: The Watkins Response made a general objection to the time scope of the Department's requests to be certain that there would not be a

Ms. Jennifer Shaw, Enforcement Attorney
January 16, 2014
Page 2 of 5

claim of waiver in respect of any subsequent Department request for documents. Watkins, however, waived the time scope objection with respect to the 11-4-13 Watkins Request and has in fact produced copies of all documents responsive to that request that are in his possession, custody or control.

2. The production requests seeking documents provided by Watkins to his clients address client records required to be maintained by Watkins. (See Production Request Numbers 10, 12, 14, 16, 18, 20 and 22).

Response: Each of Request Numbers 10, 12, 14, 16, 18, 20 and 22 request documents "provided by [Watkins] to" the various customers identified in each of those numbered requests. There simply are no such documents. Watkins communicated all of the customer orders to Southeast by phone. After that, all communications with the customers came directly from Southeast and all documents "provided to" the customers were sent by Southeast.

3. Production Request No. 4 states: "All documents provided by you to Southeast Investments, N.C. Inc. or anyone on its behalf." The response should include advertising materials, letterhead, business cards, website content, order tickets, new account forms, and/or any other responsive writing that is required to be maintained by Watkins according to Southeast's written supervisory procedures.

Response: Watkins' response to Request No. 4 is accurate and complete. He did not provide "advertising materials, letterhead, business cards, website content, order tickets," or "new account forms" to Southeast. All of the order tickets and new account forms were generated by Southeast itself at its offices in North Carolina.

4. Production Request No. 23 states: "All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party," These records shall include any correspondence and/or pleadings. Such records are not otherwise available to the Department.

Response: Watkins' response to Request No. 23 is accurate and complete. He has never maintained a "pleadings file" or correspondence file relating to these matters. He has looked to the Central Deposit Repository for any information on these matters. His only correspondence regarding these matters has been with the undersigned counsel. To the extent that Request No. 23 seeks production of such attorney-client correspondence, we of

Ms. Jennifer Shaw, Enforcement Attorney
January 16, 2014
Page 3 of 5

course object to that request. See Watkins Response, General Objection No. 1.

B. Southeast Investments, N.C., Inc. Discovery Issues:

1. The defined scope of time for the discovery requests is February 1, 2012 to November 4, 2013. This period of time is relevant to a determination of whether Watkins was transacting business as an agent in violation of §1-402 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011). As you are aware the March 26, 2013 Enforcement Division Recommendation described transactions that occurred after August 26, 2012.

Response: See Response to paragraph A. 1 above. The only documents that Southeast has not produced in response to the 11-4-13 Southeast Request, or in its October 29, 2012 production, are the account statements postdating September 30, 2012. Without waiving its general objection relating to the time scope of the 11-4-13 Southeast Request, Southeast will produce (i) all customer statements to date, (ii) commission statements, and (iii) records of commission payments to Watkins. Regarding item (iii), Southeast is checking its records to determine how Watkins was paid (by check, by intra-firm electronic transfer or by other electronic transfer). Such records as exist will be produced. See also Response to paragraph B.5 below.

2. Southeast's prior production was limited in scope and was produced over a year ago on October 29, 2012. The Department is seeking any and all responsive documents for the defined scope of time not previously provided by Southeast.

Response: See Response to paragraph B.1 above regarding additional production. With that production, all documents responsive to the 11-4-13 Southeast Request will have been produced. It may be helpful to understand that Watkins has not transacted any business as agent for Southeast or otherwise since October 1, 2012. Consequently no documents were generated during that time save the monthly statements that are sent to the customers so long as their Southeast accounts remain open.

3. Production Request No. 1 states: "All documents that reflect, memorialize or relate to any form of communication between you and Rodney Larry Watkins, Jr. or anyone on his behalf." Southeast's response should include advertising materials, letterhead, business cards, website content, order tickets, new account forms, and/or any other responsive writing that is required to be maintained by Southeast according to the firm's written supervisory procedures.

Ms. Jennifer Shaw, Enforcement Attorney
January 16, 2014
Page 4 of 5

Response: All of the materials listed are available to Watkins in Southeast's electronic files and have been produced. None have been "communicated" to him by any other means. With respect specifically to order tickets, neither Watkins nor any other Southeast broker generates hard-copy order tickets to submit to Southeast's Order Department. Rather, all orders are communicated to Southeast by e-mail or other electronic messaging or by phone, from which the order is placed for execution. In Watkins' case, all orders were called in by phone.

4. Production Request No. 2 states: "All documents provided by you to Rodney Larry Watkins, Jr. or anyone on his behalf." Southeast's response should include operating procedures, records of daily trade activity, and payments to Watkins, and/or any dba used by Watkins, to include commissions, fees and reimbursements. The payment records should include front and back of all cancelled checks or wire instructions.

Response: Regarding payments to Watkins, see Response to paragraph B.1 above.¹ The other documents listed have already been produced. See Response to paragraph B.1 (first sentence) and Response to paragraph B.2.

5. Production Request No. 3 states: "All contracts and/or agreements between you and Rodney Larry Watkins, Jr." The Department is in receipt of the Independent Contractor's Agreement but that agreement did not include the compensation arrangement between Southeast and Watkins. Therefore, the Department requests any and all documents between Southeast and Watkins, and/or any dba used by Watkins, relating to commissions, fees, reimbursements and/or any other form of payment.

Response: Aside from the agreement already produced and referred to in Request No. 3, the only "commission agreement" is the printed term sheet that applies to all Southeast brokers. Southeast believes that such document has already been produced, but will produce another copy.

6. Production Request No. 8 states: "All documents relating to the supervision of Rodney Larry Watkins, Jr. including, but not limited to, emails, correspondence, website material, customer transactions, client records and identification of Rodney Larry Watkins, Jr.'s office location(s)." This request requires production of all documents relating to Watkins that are required to be documented and maintained according to Southeast's written supervisory procedures.

¹ In this connection, Southeast would note that, under applicable regulations, Southeast cannot, and does not, pay commissions to a "dba used by" any broker. All payments are made to individual, registered brokers in their own name.

Ms. Jennifer Shaw, Enforcement Attorney
January 16, 2014
Page 5 of 5

Response: All such documents, including e-mails, have been produced. See Response to paragraphs B.1, B.2 and B.3 above.

7. Production Request No. 10 requires production of all records relating to all customers of Watkins & Associates Financial Services, Rodney Larry Watkins, Jr. and/or Watkins & Associates Financial Services. Such records may reasonably lead to the discovery of relevant and admissible evidence as to Watkins' activities while not registered as an agent under the Act.

Response: See Response to paragraph B.1 above.

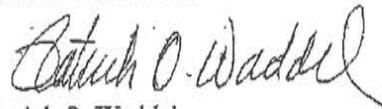
8. Production Request No. 12 states: "All records relating to any regulatory action and any civil, administrative, and/or criminal filings relating to you and/or that name you as a party." These records shall include any correspondence and/or pleadings. Such records are not otherwise available to the Department.

Response: Southeast's response to Request No. 12 is accurate and complete. Southeast does not maintain a "pleadings file" or correspondence file relating to these matters. It has relied on the Central Deposit Repository for any information on these matters.

Should you have any questions regarding any of these matters, please feel free to contact our office.

Sincerely,

SNEED LANG PC



Patrick O. Waddel

POW:mjw
Enclosures

cc: Rodney Larry Watkins and Frank H. Black
David Jorgenson

S N E E D  L A N G P C

Writer:
Patrick O. Waddel

E-mail:
pwaddel@sneedlang.com

January 28, 2014

HAND DELIVERED

Ms. Jennifer Shaw
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson Ave., Station 860
Oklahoma City, OK 73102

Re: In the Matter of:
Rodney Larry Watkins, Jr. (CRD #3091936);
Southeast Investments, N.C. Inc. (CRD #43035); and
Frank H. Black (CRD #22451); Respondents. ODS File No. 12-058

Dear Ms. Shaw:

We are delivering a disc containing the documents referred to in our letter of January 16, 2014 (Bates stamped Nos. SE-00345 through SE-01299), together with hard copy documents bearing Bates stamped Nos. SE-01300 through SE-01305. Together with the documents transmitted with our letter of November 26, 2013, we have now produced all documents requested by the Department that are in the possession, custody or control of any of the respondents in the captioned proceeding.

We have reviewed all of those documents produced by the respondents, all of the documents that the Department has produced to us, the Administrator's Order of August 29, 2012 ("8-29-12 Order") and the Enforcement Division Recommendation of March 26, 2013 ("2-26-13 Recommendation"). Taken together those materials demonstrate conclusively (i) that the Commission does not have jurisdiction over the claims asserted in the captioned proceeding and (ii) that, in any event, there has been no violation by any respondent of the 8-29-12 Order itself. On information and belief, the Department's own investigation of the trading activity that is the subject of the 2-26-13 Recommendation independently confirms these conclusions.

Based on the foregoing, we ask that the Department immediately dismiss the captioned proceeding with prejudice and reinstate Mr. Watkins' license promptly thereafter. Failing that,

Ms. Jennifer Shaw, Enforcement Attorney
January 28, 2014
Page 2 of 2

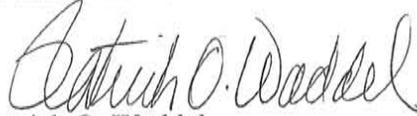
we ask, by copy of this letter to the Administrator, that the Department be ordered to respond promptly to our Motion for Summary Disposition (filed December 2, 2013) and that the Commission then rule promptly on that Motion.

We have consistently maintained that no customer of Mr. Watkins has ever complained about his actions as their broker and there has not been any allegation of misuse of customer funds because there has been none. The current action against the respondents was apparently commenced without any independent verification of the alleged facts to support any of the Department's allegations.

We believe that in view of the foregoing the Department's actions against the respondents are punitive in nature without any basis in law or fact. Mr. Watkins has a family consisting of a wife and three young children. The Department's actions over the last fifteen months have created a tremendous hardship on this family, financially and otherwise. We intend to continue to press his cause.

Sincerely,

SNEED LANG PC



Patrick O. Waddel

POW:mjw
Enclosures

cc: Rodney Larry Watkins and Frank H. Black
Irving L. Faught, Esq.

SNEED  LANG &

1700 WILLIAMS CENTER TOWER I
ONE WEST THIRD STREET
TULSA, OKLAHOMA 74103-3522

TO:

HAND DELIVERED

Ms. Jennifer Shaw
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson Ave., Station 860
Oklahoma City, OK 73102

Watkins Discovery Timeline

Date of Event	Event
March 26, 2013	Recommendation filed against Watkins, Southeast, and Black
April 15, 2013	Request for hearing filed by all Respondents
May 6, 2013	Email to Waddel to see if he has any objections or conflicts to hearing date of October 22, 2013. No response to email received
May 9, 2013	Order Setting Hearing for October 22, 2013
May 10, 2013	Letter from Waddel requesting Order Setting Hearing be stricken and prehearing conference be scheduled
May 14, 2013	Email to Waddel regarding his request to strike Order Setting Hearing. Requested that he waive the 30 day requirement to enter a scheduling order and 45 day notice of hearing requirement
May 14, 2013	Respondents waive 30 day requirement to enter scheduling order and 45 day notice of hearing requirement
May 30, 2013	Waddel sends proposed scheduling order
June 4, 2013	Email to Waddel notifying him that co-counsel has a conflict with his proposed hearing dates and will send new proposal
June 12, 2013	Email to Waddel proposing September 18, 2013 as new hearing date
July 15, 2013	System Administrator message received notifying Department that Waddel did not receive emails from June 4, 2013 and June 12, 2013
July 15, 2013	Call to Waddel notifying him of email issues and proposing hearing date of September 18, 2013. Waddel stated he will talk to his client and get back in contact with the Department
October 8, 2013	Having not heard from Waddel since July 15, 2013, contacted him to determine if he is still representing Respondents
October 9, 2013	Waddel notified the Department that he is still representing Respondents and requested a copy of Watkins CRD records
October 10, 2013	Watkins CRD records sent to Waddel
October 14, 2013	Received an email from Waddel stating he will contact the Department at 4:00pm on October 14, 2013 (Waddel does not contact the Department)
October 15, 2013	The Department leaves a voice mail message with Waddel since he did not contact the Department on October 14, 2013
October 15, 2013	Faxed and mailed a letter to Waddel stating that the hearing date needed to be reset in this matter
October 16, 2013	Call from Waddel notifying us he wanted to renew his request to have a meeting with the Administrator and counsel for the Department. Notified Waddel that we needed a new hearing date by October 17, 2013
October 16, 2013	Left voice mail message for Waddel providing three proposed hearing dates
October 22, 2013	Order Striking Hearing set for October 22, 2013 issued
October 23, 2013	Order Setting Scheduling Conference issued – Date November 1, 2013
October 23, 2013	Waddel notified the Department he has a conflict with November 1, 2013
October 25, 2013	Order Resetting Scheduling Conference – new date October 31, 2013
October 30, 2013	Emailed proposed hearing dates to Waddel

EXHIBIT

7

November 4, 2013	Agreed Scheduling Order Issued containing Deposition Dates for Respondents
November 4, 2013	Discovery Requests sent to Respondents
November 18, 2013	Respondents requested extension of time to respond to discovery and object to scope of time for discovery request
November 19, 2013	Department responded by letter to Respondents granting extension of time to respond and notifying Respondents of disagreement to their objections, specifically limiting scope of time
November 26, 2013	Department receives Respondents' partial document production and further objections to discovery
December 2, 2013	Respondent files Motion for Summary Disposition
December 2, 2013	Respondents' First Request for Production of Documents received by the Department
December 10, 2013	Department calls Waddel to attempt to resolve discovery issues
December 11, 2013	Department files Preliminary List of Witnesses and Exhibits. Respondents request delay to file their lists until after they receive the Department's letter outlining discovery issues
December 17, 2013	Department responds to Respondents' Discovery Request
December 17, 2013	Agreed Order tolling time for Department to respond to the Motion for Summary Disposition until after Respondents have complied with Discovery Requests
December 20, 2013	Letter sent to Waddel outlining issues relating to discovery – Requested compliance by January 10, 2014
January 6, 2014	Letter sent to Waddel confirming that dates for depositions are postponed until Respondents have completed the requested discovery production
January 6, 2014	Waddel confirms that depositions are postponed
January 6, 2014	Department requests new deposition dates for late January or early February of 2014. No response to email received
January 24, 2014	Department counsel having not heard from counsel on rescheduling of depositions and not receiving response on discovery requests sent email to Waddel to request new hearing date of May 6 and 7, 2014. No response received
January 27, 2014	Department emails Waddel to confirm that he received our January 24, 2014 email regarding new hearing date
January 27, 2014	Waddel responds to email stating he will deliver discovery requested in the December 20, 2013 letter
January 28, 2014	Waddel hand delivers partial productions of records. The delivery references a January 16, 2014 letter sent by Waddel
January 30, 2014	The Department emails and faxes Waddel notifying him that his January 16, 2014 letter was not received
January 31, 2014	Waddel emails and faxes January 16, 2014 letter. Letter contains more objections to discovery
February 3, 2014	The Department contacts Waddel to discuss production requests and objections. Specifically request order tickets and new account documents

February 10, 2014	Respondents provided order tickets and mutual fund applications but not new account documents specifically requested in February 3, 2014
February 28, 2014	Department filed a response to Motion for Summary Disposition
March 6, 2014	Respondents Reply Brief filed
March 10, 2014	Order Denying Motion for Summary Dispositions
March 20, 2014	Waddel letter directly to the Administrator requesting reconsideration, claiming they have complied fully with discovery requests, and requesting a meeting at the earliest convenience