

FEB 10 2015

IN THE SUPREME COURT OF THE STATE OF OKLAHOMA MICHAEL S. RICHIE
CLERK

SOUTHEAST INVESTMENTS, N.C. INC., and)	Oklahoma Securities Commission
FRANK H. BLACK,)	Case No. OSC-15-001
)	
Appellants.)	
)	
vs.)	Supreme Court No. 113585
)	
THE STATE OF OKLAHOMA <i>ex rel.</i>)	
THE OKLAHOMA SECURITIES COMMISSION,)	
)	
Appellee.)	

**RESPONSE OF OKLAHOMA SECURITIES COMMISSION
TO PETITION IN ERROR**

Is appellee willing to participate in an attempted settlement of the appeal by predecisional conference under Rule 1.250?

 X YES NO

Attached as Exhibit "A" is the statement of the case of the Appellee, Oklahoma Securities Commission.

In accelerated appeals from orders granting motion for summary judgment or motion to dismiss **only** appellee shall either file the counter-designation of record, if any, with the response to the petition in error, or shall also file concurrently with response any supplement to record on accelerated appeal. See Rule 1.36(e)(1) and (2).

DATE: February 10, 2015.

Verified by: 
Amanda Cornmesser

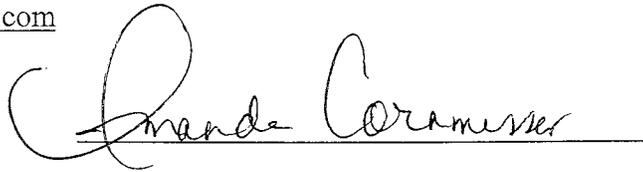
OBA No.: 20044

Firm: Oklahoma Department of Securities
Address: First National Center, Suite 860
120 N. Robinson
Oklahoma City, OK 73102
Telephone: (405) 280-7700

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the Response to Petition in Error was mailed this 10th day of February, 2015 by depositing it in the U.S. Mail, with postage prepaid or by electronic mail to:

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Grand Commissioner

Exhibit "A" - Statement of the Case

Southeast Investments, N.C. Inc. (Southeast) has been registered as a broker-dealer under the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2013), since May 2009. The Department of Securities (Department) filed an enforcement case against Appellants in March 2013, for failure to supervise their agent whose office and residential addresses were in Tulsa, Oklahoma. The Department supplemented its recommendation in June 2014, after discovery revealed additional evidence of violations by Appellants. The scheduled hearing was reset to permit Appellants time to answer and conduct any additional discovery based on the new allegations. The parties agreed to submit the case on the documentary record and waived their right to appear. The Administrator concluded, in part, that Southeast failed to establish, maintain and/or enforce supervisory procedures to enable the firm to assure compliance with applicable securities laws in violation of 660:11-5-42(b)(22) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities as promulgated under the Act (Rules); that Frank H. Black failed to enforce supervisory procedures to assure compliance with the applicable securities laws in violation of 660:11-5-42(b)(22) of the Rules; and that Appellants failed to comply with the Act and Rules. The Administrator ordered Appellants to cease and desist from violations of the Act and pay a civil penalty of Five Thousand Dollars (\$5,000) (Administrator's Order). Appellants sought review by the Oklahoma Securities Commission (Commission).

The Commission reviewed the petition for review, the record on which the Administrator based his order, and the parties' written briefs. The Commission heard oral argument. The Commission adopted the Administrator's Order, in whole, and made one additional finding of fact and one additional conclusion of law based on the record. The Commission ordered Appellants to cease and desist their violations and pay a civil penalty of \$5,000.