

OPEN MEETING ITEM



0000017533

**COMMISSIONERS**  
JEFF HATCH-MILLER - Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES



**ORIGINAL**

ARIZONA CORPORATION COMMISSION

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2005 MAR 25 A 10:03

DATE: March 25, 2005  
DOCKET NO: S-03557A-04-0000

AZ CORP COMMISSION  
DOCUMENT CONTROL

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Marc E. Stern. The recommendation has been filed in the form of an Opinion and Order on:

LONZO ARCHER  
(NOTICE OF OPPORTUNITY)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

APRIL 13, 2005

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for Open Meeting to be held on:

APRIL 21, 2005

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Secretary's Office at (602) 542-3931.

BRIAN C. McNEIL  
EXECUTIVE SECRETARY

Arizona Corporation Commission  
**DOCKETED**

MAR 25 2005

DOCKETED BY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 JEFF HATCH-MILLER Chairman  
4 WILLIAM A. MUNDELL  
5 MARC SPITZER  
6 MIKE GLEASON  
7 KRISTIN K. MAYES

8 IN THE MATTER OF

9 LONZO ARCHER  
10 1512 Plymouth Road  
11 North Brunswick, NJ 08902  
12 CRD No. 1979672

DOCKET NO. S-03557A-04-0000

DECISION NO. \_\_\_\_\_

**OPINION AND ORDER**

13 DATE OF HEARINGS: January 24 and January 31, 2005  
14 PLACE OF HEARING: Phoenix, Arizona  
15 ADMINISTRATIVE LAW JUDGE: Marc E. Stern  
16 APPEARANCES: Michael Kalmus on behalf of Respondent Lonzo Archer;  
17 and  
18 Michelle Allen, Staff Attorney, Securities Division of  
19 the Arizona Corporation Commission.

20 **BY THE COMMISSION:**

21 On May 7, 2004, the Securities Division ("Division") of the Arizona Corporation  
22 Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order of  
23 Revocation and Other Affirmative Relief ("Notice") against Lonzo Archer ("Respondent") in which  
24 the Division alleged that on January 27, 2004, the Securities Division of the Department of Financial  
25 Institutions of the State of Washington ("State of Washington") revoked Respondent's securities  
26 license in Order No. S-03-029-04-E061 ("Final Order") for selling unsuitable investments to an  
27 elderly couple. The Final Order of the State of Washington was not appealed. The Division alleges  
28 that Respondent's conduct and license revocation by the State of Washington constitute violations of  
the Arizona Securities Act ("Act") and are grounds to suspend or revoke his securities license  
registration in Arizona.

Respondent was duly served with a copy of the Notice.

On June 10, 2004, Respondent, through New York counsel, Michael Kalmus, filed a request

1 for hearing and notice of appearance. Respondent's counsel did not submit evidence of admission  
2 Pro Hac Vice ("PHV") in compliance with Rule 33 of the Rules of the Arizona Supreme Court and  
3 evidence that he had paid the required filing fees.

4 On June 11, 2004, by Procedural Order, it was ordered that Respondent's request filed in  
5 response to the Notice should be held in abeyance for 60 days pending Respondent's counsel filing  
6 with the Commission a Motion and Consent for Admission Pro Hac Vice ("Motion PHV"). The  
7 filing of the Motion PHV would establish compliance with Rule 33 of the Rules of the Arizona  
8 Supreme Court and evidence that the required filing fees had been paid in a timely fashion or  
9 Respondent would be in default.

10 On August 9, 2004, Respondent's New York counsel filed a Motion PHV which established  
11 that he had associated with local counsel and complied in a timely manner with Rule 33 of the Rules  
12 of the Arizona Supreme Court.

13 On August 10, 2004, by Procedural Order, Mr. Kalmus was authorized to represent  
14 Respondent Pro Hac Vice and a pre-hearing conference was scheduled for September 8, 2004.

15 On August 18, 2004, the Division filed a Motion to Continue the pre-hearing conference  
16 because counsel for the Division and local counsel for Respondent were unavailable on September 8,  
17 2004.

18 On August 19, 2004, by Procedural Order, the pre-hearing conference was continued to  
19 October 7, 2004.

20 On October 7, 2004, a pre-hearing conference was held with the Division and Respondent  
21 present with counsel. After a review of the pending issues, it was agreed that a hearing be held on  
22 November 18, 2004.

23 On October 8, 2004, by Procedural Order, a hearing was scheduled for November 18, 2004.

24 On November 5, 2004, Respondent's counsel, by facsimile, requested a continuance of the  
25 hearing scheduled on November 18, 2004 because Respondent had been scheduled for throat surgery  
26 on November 17, 2004, in New York City. Subsequently, during a teleconference on November 5,  
27 2004, counsel for the parties agreed to a continuance of the proceeding to January 24, 2005.

28 On November 10, 2004, by Procedural Order, the hearing was continued to January 24, 2005.

1 On January 24, 2005, a full public hearing was convened before a duly authorized  
2 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. The Division was  
3 present with counsel and Respondent appeared through counsel. Counsel for the Respondent  
4 requested a brief continuance until January 31, 2005, due to the illness of the Respondent. Counsel  
5 faxed medical verification in support of this request. The Division opposed the request.

6 On January 24, 2005, by Procedural Order, the proceeding was continued until January 31,  
7 2005.

8 On January 31, 2005, the hearing was reconvened before a duly authorized Administrative  
9 Law Judge of the Commission at its offices in Phoenix, Arizona. The Division and the Respondent  
10 were present with counsel. At the conclusion of the proceeding, the matter was taken under  
11 advisement pending submission of a Recommended Opinion and Order to the Commission.

12 \* \* \* \* \*

13 Having considered the entire record herein and being fully advised in the premises, the  
14 Commission finds, concludes, and orders that:

15 **FINDINGS OF FACT**

16 1. Respondent, Lonzo Archer's last known address is 1512 Plymouth Road, North  
17 Brunswick, New Jersey, 08902. From August 12, 2002 through December 31, 2004, Mr. Archer was  
18 a registered securities salesman in the State of Arizona, National Association of Securities Dealers  
19 ("NASD"), Central Registration Depository ("CRD") No. 1979672 in association with First Montauk  
20 Securities Corporation ("FMSC").

21 2. On May 7, 2004, the Division issued a Notice alleging Mr. Archer had violated A.R.S.  
22 § 44-1962 because he was subject to an order of an administrative tribunal revoking his registration  
23 as a broker for at least six months. Respondent was duly served with a copy of the Notice and  
24 requested a hearing.

25 3. The Division, in support of its allegations, cited a January 27, 2004, State of  
26 Washington Final Order which revoked Mr. Archer's registration as a securities salesman in  
27 Washington State. A copy of the State of Washington's Final Order is marked Exhibit A, attached  
28

1 hereto, and incorporated by reference.<sup>1</sup> As a result of the action taken by the State of Washington,  
2 the Division is recommending the revocation of Respondent Archer's registration as a securities  
3 salesman in Arizona.

4 4. Based on the record, on December 19, 2003, the State of Washington issued Order No.  
5 S-03-029-03-SC01, a Statement of Charges and Notice of Intent to Enter an Order to Revoke  
6 Registration, Impose Fines, Charge Costs, and Order Disgorgement ("Statement") against  
7 Respondent Archer.

8 5. On December 29, 2003, the Statement together with a Notice of Opportunity to  
9 Defend and Opportunity for Hearing and an Application for Adjudicative Hearing ("Application for  
10 Hearing") was served via certified U.S. mail on Respondent Archer.

11 6. Pursuant to Washington State law, Respondent Archer was advised that he had 20  
12 days from the date he received the Statement to file an Application for Hearing on the Statement.  
13 Mr. Archer was further advised that if he failed to request a hearing, that the tentative charges as set  
14 forth in the Statement would become final, his registration would be revoked and he would be subject  
15 to fines and would be ordered to disgorge his commissions.

16 7. Mr. Archer failed to file a timely Application for Hearing within 20 days of his receipt  
17 of the Statement.

18 8. On January 27, 2004, the State of Washington's Final Order was issued against Mr.  
19 Archer. The Final Order found that, while a registered securities salesman in the State of  
20 Washington, Mr. Archer had sold unsuitable investments that were excessive in size and frequency of  
21 their trading, during a time in which he lacked discretionary power to affect said transactions for two  
22 Washington residents. The Final Order found that Mr. Archer's unauthorized transactions resulted in  
23 losses to the two investors of \$118,300 and that approximately \$35,000 was paid as commissions to  
24 Respondent.

25 9. As a result, the State of Washington's Final Order revoked Mr. Archer's registration  
26 as a salesman in Washington State, fined him \$20,000 and ordered him to disgorge the \$35,000 in  
27

28 <sup>1</sup> On January 31, 2005, during the hearing, Exhibit A was admitted into evidence.

1 commissions he earned from the transactions.

2 10. During the hearing, Mr. Archer acknowledged that he received the Statement and was  
3 aware that his Application for Hearing had to be filed within 20 days. At the time, he believed that  
4 FMSC's in-house counsel would file an Application for Hearing on his behalf in a timely fashion.

5 11. According to Mr. Archer, his Application for Hearing was filed one day too late and  
6 resulted in the Final Order from the State of Washington. Mr. Archer acknowledged that he has  
7 neither paid the fine to the State of Washington nor disgorged his commissions pursuant to the Final  
8 Order due to a lack of personal resources.

9 12. Mr. Archer is requesting leniency in this proceeding since he has no existing  
10 customers in Arizona, has not earned any monies here, and is willing to either accept a suspension of  
11 his registration or to voluntarily cancel his registration in Arizona to avoid further problems with his  
12 registration in other jurisdictions, which have, until now, not taken any adverse actions due to the  
13 Final Order.

14 13. Under the circumstances, we believe that our paramount duty is to protect Arizona  
15 investors from possible harm and while Mr. Archer may have had meritorious defenses to the State of  
16 Washington's claims, he cannot raise them here. Therefore, Mr. Archer's Arizona registration as a  
17 securities salesman should be revoked.

18 **CONCLUSIONS OF LAW**

19 1. The Commission has jurisdiction over this matter pursuant to Article XV of the  
20 Arizona Constitution and A.R.S. § 44-1962.

21 2. It is established that Mr. Archer is in violation A.R.S. § 44-1962(A)(8).

22 3. Pursuant to A.R.S. § 44-1962, the salesman registration of Mr. Lonzo Archer should  
23 be revoked.

24 ...

25 ...

26 ...

27 ...

28 ...



1 SERVICE LIST FOR: LONZO ARCHER

2 DOCKET NO.: S-03557A-04-0000

3

4 Michael Kalmus  
5 850 Third Avenue, 14<sup>th</sup> Floor  
6 New York, NY 10022  
7 Attorney for Respondent  
8 **Via Facsimile and**  
9 **Certified Mail**  
10 **Return Receipt Requested**

11 Anthony B. Bingham  
12 1423 South Higley Road  
13 Bldg. 4, Ste. 110  
14 Mesa, AZ 85206

15 Matt Neubert, Director  
16 Securities Division  
17 ARIZONA CORPORATION COMMISSION  
18 1300 West Washington Street  
19 Phoenix, AZ 85007

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STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

I certify that this is a true copy of a record on file in the Department of Financial Institutions of the State of Washington.

15 day of APRIL, 20 04  
*[Signature]*  
Signature, Authorized Representative

IN THE MATTER OF DETERMINING whether there has been a violation of the Securities Act of Washington by:

LONZO ARCHER,  
Respondent.

Order No. S-03-029-04-FO01

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER REVOKING REGISTRATION, IMPOSING FINE AND ORDERING DISGORGEMENT

THE STATE OF WASHINGTON TO:

Lonzo Archer, CRD #1979672  
655 Third Avenue, 14<sup>th</sup> Floor  
Room 1416-1420  
New York, NY 10017

INTRODUCTION

On December 19, 2003, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter an Order to Revoke Registrations, Impose Fines, Charge Costs, and Order Disgorgement order number S-03-029-03-SC01, hereinafter referred to as the "Statement of Charges", against Respondent Lonzo Archer. On December 29, 2003, the Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing"), was served via certified mail on Lonzo Archer. The Notice of Opportunity for Hearing advised Lonzo Archer that he had twenty days from the date he received the notice to file a written application for an adjudicative hearing on the Statement of Charges. The Statement of Charges further advised that if Lonzo Archer did not request a hearing, the Securities Administrator intended to adopt the

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER REVOKING REGISTRATION, IMPOSING FINE AND ORDERING DISGORGEMENT

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

*[Signature]*  
DECISION NO. \_\_\_\_\_

Tentative Findings of Fact and Conclusions of Law set forth in the Statement of Charges as final, revoke Lonzo Archer's registration, impose the fine sought, and order disgorgement.

Lonzo Archer failed to request an adjudicative hearing within twenty days of his receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in the Statement of Charges. The Securities Administrator finds as follows:

### FINDINGS OF FACT

#### RESPONDENT

1. Lonzo Archer ("Archer") is a securities salesperson with First Montauk Securities Corp. ("First Montauk Securities") and has been employed there since August 2002. He has been registered as a securities salesperson with the Washington State Securities Division since February 2001, and was previously so registered from February 1994 to April 1998. Archer was employed by Mantis Securities, Inc. ("Mantis Securities") as a securities salesperson from September 2000 to August 2002.<sup>1</sup> Prior to that, Archer was employed as a securities salesperson for fourteen different broker-dealers in eleven years, including Northridge Capital Corporation from August 1999 to August 2000, G.F.B. Securities, Inc. from March 1998 to August 1999, William Scott & Co. L.L.C from December 1996 to March 1998, Rickel & Associates, Inc. from February 1996 to December 1996, FAB Securities of America, Inc. from May 1995 to February 1996, Global Equities Group Inc. from April 1995 to May 1995, A.T. Brod & Co. Inc. from June 1994 to March 1995, S.D. Cohn & Co., Inc. from February 1994 to June 1994, Westfield

1 Financial Corporation from June 1993 to February 1994, LCP Capital Corp. from October 1992 to  
 2 January 1993, Prudential Equity Group, Inc. from February 1992 to October 1992, GKN Securities Corp.  
 3 from January 1991 to March 1991, R.H. Damon & Co., Inc. from April 1990 to January 1991, and  
 4 Barrett Day Securities, Inc. from August 1989 to January 1990. Archer currently resides in New  
 5 Brunswick, New Jersey.

#### 6 NATURE OF RESPONDENT'S CONDUCT

7 2. Burt S. and Virginia S.<sup>2</sup> ("Burt and Virginia") are Washington residents, ages sixty-six and  
 8 fifty-seven, respectively.

9 3. Burt received an unsolicited telephone call from Lonzo Archer ("Archer") of Mantis  
 10 Securities in approximately February of 2001. Archer offered his services as a securities salesperson.  
 11 Burt was initially not interested in opening an account with Archer. Archer then mentioned a number of  
 12 stocks he was recommending and asked Burt to track their performance. Archer phoned Burt again  
 13 several times over the next few months to ask if he had followed the stocks, which had performed well.  
 14 Because the stocks Archer had told Burt to track had done well, Burt gained confidence in Archer's  
 15 ability to manage his investments. Burt decided to open an account with Mantis Securities and signed a  
 16 new account application in May 2001. Burt transferred a Roth individual retirement account (IRA)  
 17 account, hereinafter referred to as Account I, worth approximately \$42,000 to Mantis Securities in June  
 18 2001.

19 4. Burt and Virginia have minimal investment experience. Burt and Virginia had never  
 20

21 <sup>1</sup> Mantis Securities withdrew their broker-dealer registration in the state of Washington on or about September 30, 2002.

22 <sup>2</sup> The full names of the customers are omitted to protect their privacy.

1 directed their own investments until 1998. At that time, they purchased a few stocks, which they later  
2 sold during the market correction of 2000. The bulk of their assets continued to be held in retirement  
3 accounts that were not self-directed. Burt and Virginia's main investment objective was to supplement  
4 their retirement savings. Speculation was not one of their investment objectives.

5 5. Upon opening the account, Archer agreed to obtain Burt's authorization prior to making  
6 trades. Burt received his first trade confirmation in the mail from Mantis Securities in June of 2001, a  
7 purchase of 3,000 shares of Mim Corp., a small-capitalization stock. Archer had not contacted Burt prior  
8 to making the trade. Burt called Archer for an explanation. Archer explained that the market moved too  
9 quickly to call about every trade. Subsequent to this conversation, Archer continued to make trades  
10 without contacting Burt. In fact, Archer never contacted Burt prior to the purchase or sale of securities.  
11 Burt would learn about the transactions through receipt of the trade confirmations in the mail from  
12 Mantis Securities. If he wanted to speak with Archer to discuss his account, Burt had to initiate the  
13 phone call.

14 6. From June 2001 to March 2002, Burt believed Archer's trading was profitable, as the value  
15 of Account I had doubled. As a result, Burt and Virginia decided to transfer two of Virginia's accounts  
16 to Mantis Securities. In March of 2002, they transferred a Roth IRA account of Virginia's, hereinafter  
17 referred to as Account II, worth approximately \$100,000. In April of 2002, they also transferred a  
18 Rollover IRA account of Virginia's, hereinafter referred to as Account III, worth approximately \$97,000.  
19 Archer made trades in Virginia's accounts without contacting her. In fact, Virginia never spoke with  
20 Archer.

21 7. At the time all three accounts had been transferred to Mantis Securities, Burt and Virginia's  
22 annual income was approximately \$50,000 per year. The accounts represented over a quarter of their net

1 worth.

2 8. From June 1999 through September 2002, Archer bought approximately \$500,000 worth of  
 3 securities in Account I. From April 2002 through September 2002, Archer purchased approximately  
 4 \$91,000 worth of securities in Account II, and \$57,000 worth of securities in Account III. All of the  
 5 securities purchased by Archer were stocks. Further, virtually all the stocks purchased were low priced  
 6 small capitalization ("small cap") stocks.<sup>3</sup> Investing in small-cap stocks involves substantial risk. Small-  
 7 cap stocks are companies that are usually less established and lack financial resources, so their stock  
 8 price tends to be highly volatile. By Archer's own admission, the companies he was recommending to  
 9 Burt and Virginia were "speculative and growth oriented."

10 9. From May 3, 2002 through May 28, 2002, Burt and Virginia were in Europe on vacation.  
 11 During this time period, they could not be contacted by telephone and in fact had no contact with Archer.  
 12 Archer made over a dozen trades during this time period.

13 10. As described above, Archer engaged in a heavy volume of trading in all three of Burt and  
 14 Virginia's accounts. Archer held most of the stocks he purchased in the accounts for only a few weeks or  
 15 months before selling them in order to purchase new stocks. This volume of trading generated excessive  
 16 commissions given the size of the accounts. From June 1999 to September 2002, Burt and Virginia paid  
 17 over \$35,000 in commissions for their three accounts. Simply to meet the expenses of maintaining the  
 18 account, Account I needed to produce an investment return of over 40%.<sup>4</sup>

19 11. Archer left Mantis Securities and became employed by First Montauk Securities in August  
 20

21 <sup>3</sup> For purposes of this Statement of Charges, a small-cap stock is defined as a stock with a market capitalization (number of shares outstanding multiplied by stock  
 22 price) of \$500 million or less.



1 approximately \$66,000. Collectively, these losses account for approximately 54% of the funds Burt and  
2 Virginia entrusted to Archer.

3 Based upon the above Findings of Fact, the following Conclusions of Law are made:

#### 4 CONCLUSIONS OF LAW

5 1. The offer and/or sale of the stocks described above constitutes the offer and/or sale of a  
6 security as defined in RCW 21.20.005(10) and (12).

7 2. Lonzo Archer, as described above, has willfully violated RCW 21.20.702 by  
8 recommending the purchase and sale of securities to Burt and Virginia S. without reasonable grounds to  
9 believe that the transactions were suitable for them. Such practice is grounds for the revocation of his  
10 salesperson registration pursuant to RCW 21.20.110(1)(b), and for the imposition of fines pursuant to  
11 RCW 21.20.110(1).

12 3. Lonzo Archer, as described above, has willfully violated RCW 21.20.035 by knowingly  
13 effecting transactions in the accounts of Burt and Virginia S. that were excessive in size and frequency in  
14 view of the financial resources and character of the accounts, and that were effected by reason of Burt  
15 and Virginia S.'s trust and confidence in Archer. Such practice is grounds for the revocation of his  
16 salesperson registration pursuant to RCW 21.20.110(1)(b), and for the imposition of fines pursuant to  
17 RCW 21.20.110(1).

18 4. Lonzo Archer, as described above, engaged in one or more dishonest and unethical  
19 practices in the securities business, as defined by WAC 460-22B-090(6), by inducing trades in the  
20 accounts of Burt and Virginia S. that were excessive in size and frequency in view of the financial  
21 resources and character of the accounts. Such practice is grounds for the revocation of his salesperson  
22

1 registration pursuant to RCW 21.20.110(1)(g), and for the imposition of fines pursuant to RCW  
2 21.20.110(1).

3 5. Lonzo Archer, as described above, engaged in one or more dishonest or unethical practices  
4 in the securities business, as defined by WAC 460-22B-090(9), by exercising discretionary power in  
5 effecting transactions for the accounts of Burt and Virginia S. without first obtaining written  
6 discretionary authority from them. Such practice is grounds for the revocation of his salesperson  
7 registration pursuant to RCW 21.20.110(1)(g), and for the imposition of fines pursuant to RCW  
8 21.20.110(1).

### 9 FINAL ORDER

10 Based on the forgoing, NOW, THEREFORE IS HEREBY ORDERED that Lonzo Archer's  
11 securities salesperson license shall be permanently revoked from the date of entry of this Order.

12 IT IS FURTHER ORDERED that, pursuant to RCW 21.20.110, Lonzo Archer shall pay a fine in the  
3 amount of \$20,000. Such payment shall be: (a) made by United States postal money order, certified check,  
4 bank cashier's check or bank money order; (b) made payable to the Washington State Treasurer; (c)  
5 delivered by certified mail to Deborah R. Bortner, Securities Administrator, Department of Financial  
6 Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover letter that  
7 identifies Lonzo Archer as a Respondent under these proceedings, and the Order number of these  
8 proceedings.

9 IT IS FURTHER ORDERED that, pursuant to RCW 21.20.110, Lonzo Archer shall pay  
0 disgorgement in the amount of \$35,000. Such payment shall be: (a) made by United States postal money  
1 order, certified check, bank cashier's check or bank money order; (b) made payable to the Washington State  
2 Treasurer; (c) delivered by certified mail to Deborah R. Bortner, Securities Administrator, Department of

1 Financial Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover  
2 letter that identifies Lonzo Archer as a Respondent under these proceedings, and the Order number of these  
3 proceedings.

4 **AUTHORITY AND PROCEDURE**

5 This Order is entered pursuant to the provisions of RCW 21.20.110, and is subject to the  
6 provisions of RCW 21.20.120 and Chapter 34.05 RCW. Pursuant to RCW 21.20.110, a certified copy of  
7 this order may be filed in Superior Court. If so filed, the clerk shall treat the order in the same manner as  
8 a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like  
9 manner.

10 DATED this 27<sup>th</sup> day of January, 2004.



11 Approved by:

12 Michael E. Stevenson

13 Michael E. Stevenson  
14 Chief of Enforcement

15 Deborah R. Bortner

16 DEBORAH R. BORTNER  
17 Securities Administrator

18 Presented by:

19 Chad C. Standifer

20 Chad C. Standifer  
21 Staff Attorney

22 ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF  
23 LAW AND FINAL ORDER REVOKING REGISTRATION,  
24 IMPOSING FINE AND ORDERING DISGORGEMENT

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

**DECISION NO.** \_\_\_\_\_