

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

**BEFORE THE
SECURITIES COMMISSIONER**

In the matter of)	PROPOSED ORDER TO
Argent Securities, Inc.)	DENY BROKER DEALER
)	APPLICATION, ASSESS CIVIL
)	PENALTIES, AND NOTICE OF
Respondent.)	RIGHT TO REQUEST HEARING

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On October 1, 1996, the Commissioner received the application of Argent Securities, Inc. (hereinafter, "respondent") to register as a broker dealer in North Dakota. Based on the Commissioner's review of that application, the Commissioner has reason to believe as follows:

1. Respondent is a securities brokerage firm headquartered in Atlanta, Georgia. For all times relevant to this matter, respondent was not registered as a Broker/Dealer in North Dakota.
2. On October 11, 1996, Mark Turner became an agent of respondent. On October 17, 1996, Mr. Turner, an agent of Argent Securities, executed an order on behalf of Phyllis Green, a North Dakota resident, to sell 1900 shares of American Eco Corp. Respondent failed to properly supervise Mr. Turner in allowing that sell order to be executed.
3. On October 21, 1996, Mr. Turner, an agent for respondent, executed an order on behalf of Phyllis Green, a North Dakota resident, to buy 1500 shares of Solar Mates, Inc. Respondent failed to properly supervise Mr. Turner in allowing that purchase order to be executed.
4. On November 1, 1996, per the request of the office of the Commissioner, Argent Securities provided the Commissioner with its affidavit of dealer activity, which stated that Argent Securities did not have North Dakota clients or execute any trades in North Dakota accounts. On November 7, 1998, a representative of Argent Securities contacted this office and informed this office that this was not accurate and that some transactions had been executed.
5. On February 18, 1997, Mr. Turner, an agent of Argent Securities, executed an order on behalf of Phyllis Green, a North Dakota resident, to sell 700 shares of Solar Mates, Inc. Respondent, knowing about their pending broker dealer application in North Dakota, failed to stop that transaction and thereby failed to properly supervise Mr. Turner in allowing that sell order to be executed. Respondent has claimed that they could not stop that transaction because it was based on a margin call.
6. On March 20, 1997, Mr. Turner, an agent of Argent Securities, executed an order on behalf of Phyllis Green, a North Dakota resident, to sell 510 shares of Sarengeti Eyewear, Inc. Respondent, knowing about their pending broker dealer application in North Dakota, failed to stop that

- transaction and thereby failed to properly supervise Mr. Turner in allowing that sell order to be executed. Respondent has claimed that they could not stop that transaction because it was based on a margin call.
7. On March 27, 1997, Mr. Turner, an agent of Argent Securities, executed an order on behalf of Phyllis Green, a North Dakota resident, to sell 76 shares of Sarengeti Eyewear, Inc. Respondent, knowing about their pending broker dealer application in North Dakota, failed to stop that transaction and thereby failed to properly supervise Mr. Turner in allowing that sell order to be executed. Respondent has claimed that they could not stop that transaction because it was based on a margin call.
 8. The allegations, as set forth in numbers 2-7 above, constitute at least six violations of chapter 10-04 N.D.C.C. and are sufficient grounds for the imposition of civil penalties under §10-04-16 N.D.C.C. and to determine that respondent is not of good business reputation as that term is used in §10-04-10(1) N.D.C.C.
 9. Respondent is the subject of several NASD letters of acceptance based on sales of securities prior to the effective date of the registration, sales of securities at excessive charges prices, and late filing of reports.
 10. Respondent is the subject of an order issued by the Arkansas Securities Department alleging that respondent guaranteed returns to clients, misrepresented material facts to clients, and was involved in manipulation of securities prices.
 11. Respondent is the subject of several investigations by state regulatory organizations.
 12. The allegations, as set forth in numbers 9-11 above, are sufficient grounds for the Commissioner to determine that respondent is not of good business reputation as that term is used in §10-04-10(1) N.D.C.C.
 13. Louis Phillips Reames Sr., (CRD # 869023), a director and chairman of Respondent, has been the subject of several NASD letters of acceptance based on alleged securities violations, including violations of Article III, Section 1 of the NASD Rules of Fair Practice and securities violations regarding excessive price in the sale of municipal securities. Mr. Reames was also found liable to a customer for \$41,201.25 based on the sale of unregistered securities. Those are sufficient grounds for the Commissioner to determine that Mr. Rheames is not of good business reputation as that term is used in §10-04-10(1) N.D.C.C.
 14. The Commissioner finds the following Order is necessary and appropriate in the public interest.

IT IS HEREBY ORDERED:

1. The pending broker/dealer application of Respondent is denied in accordance with §10-04-10 and 10-04-11 N.D.C.C.
2. Respondent shall cease and desist from conducting any securities business in North Dakota unless and until Respondent is registered as a dealer in

North Dakota and respondent is acting through an agent which is registered as a salesman in North Dakota. This does not prohibit Respondent from executing exempt transactions under §10-04-06 N.D.C.C.

3. The Commissioner hereby assesses and the Respondent shall make payment to the Commissioner a civil penalty in the amount of \$10,000 based on the unregistered dealer and salesman activity in North Dakota and one violation of §10-04-15 N.D.C.C.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to §10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondent has the right to be represented by legal counsel at the hearing.

Dated at Bismarck, North Dakota on November 2, 1998.



Syver Virjie
North Dakota Securities Commissioner
State Capitol, 5th Floor
600 East Boulevard
Bismarck, ND 58505-0510
ph. # (701) 328-2900

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of)
Argent Securities, Inc.)
)
Respondents.)

AFFIDAVIT OF MAILING

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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.


On this 2nd day of November, 1998, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

**PROPOSED ORDER TO DENY BD
APPLICATION, ASSESS CIVIL PENALTIES,
AND NOTICE OF RIGHT TO REQUEST A HEARING**

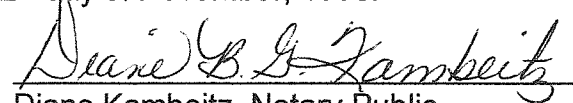
A copy of the above document was securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

Anthony F. Dudzinski
Argent Securities, Inc.
3340 Peachtree Road, Suite 900
Atlanta, GA 30326

To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.


Jacqui Ferderer

Subscribed and sworn to before me this 2nd day of November, 1998.


Diane Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires 03/10/2000