STATE OF MISSISSIPPI
SECRETARY OF STATE
SECURITIES DIVISION

IN THE MATTER OF:

ADMINISTRATIVE PROCEEDING NUMBER 95-03-03

STRATTON OAKMONT, INC.
1979 Marcus Avenue
Lake Success, New York 11042-1002

DANIEL MARK PORUSH
President
Stratton Oakmont, Inc.
1979 Marcus Avenue
Lake Success, New York 11042-1002

Respondents

AMENDED SUMMARY SUSPENSION AND NOTICE OF INTENT TO REVOKE REGISTRATION AND IMPOSE ADMINISTRATIVE PENALTY

I. PRELIMINARY STATEMENT

1. The Secretary of State, Securities Division (the "Division"), hereby amends its Summary Suspension and Notice of Intent to Revoke Registration ("the Original Notice"), Administrative Proceeding Number 95-03-03, issued March 6, 1995, in the matter of Stratton Oakmont, Inc. ("Stratton" or "Respondent") as provided for in Section V. of the Original Notice.

II. JURISDICTION

2. The Division is charged with the administration of the Mississippi Securities Act, Miss. Code Ann. § 75-71-101, et seq. (1972, as amended) (the "Act") and the Rules promulgated thereunder.

3. Pursuant to § 75-71-707 of the Act, the Division has conducted an investigation into the activities of the Respondents to determine if there has been or is about to be a violation of the provision of the Act or the Rules promulgated thereunder. Section 75-71-707 of the Act provides:

> The secretary of state in his discretion (1) may make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this chapter or any rule or order hereunder...

4. As a result of the investigation conducted by the Division, this administrative action is being brought pursuant to § 75-71-321 of the Act to revoke the agent and broker-dealer registrations of the Respondents, which section provides in part:

> (a) The secretary of state may by order deny, suspend or revoke any registration if the secretary of state finds (1) that the order is in the public interest and (2) that the applicant or registrant in the case of a broker-dealer or investment adviser, any partner, officer or director, any person occupying a similar status of performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser; . . . (B) Has wilfully violated or wilfully failed to comply with any provision of this chapter or any rule or order under this chapter; . . . (D) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business; [or] . . . (F) Has engaged in dishonest or unethical practices in the securities business . . . .

5. Section 75-71-701 of the Act provides that every applicant for registration under this Act shall file with the Division, in such form as prescribed by rule, "an irrevocable consent appointing the secretary of state or his successor in office to be his attorney to receive service of any

lawful process in any noncriminal suit, action or proceeding against him or his successor, executor or administrator which arises under this chapter or any rule or order [thereunder] after the consent has been filed, with the same force and validity as if served personally on the person filing the consent."

III. THE PARTIES

6. The Petitioner, Assistant Secretary of State and Director of the Division, Susan A. Shands, is duly appointed by the Secretary of State for Mississippi under the provisions of § 75-71-107 of the Act for the purpose of administering the Act.

7. Upon information and belief, the Respondent Stratton Oakmont, Inc. is a New York corporation located at 1979 Marcus Avenue, Lake Success, New York 11042-1002. The records of the Division reveal that the Respondent Stratton has filed a consent to service of process in accordance with the provisions of § 71-71-701 of the Act. A true and correct copy of the said consent is attached hereto and incorporated herein by reference as Exhibit A.

8. Respondent Stratton is presently registered as a broker-dealer pursuant to § 71-71-301 of the Act. Stratton has been registered since February 14, 1990.

9. Respondent Daniel Mark Porush is President and Director of Respondent Stratton. Respondent Porush is currently and has been a broker-dealer agent registered with the Division under § 75-71-301 of the Act since April 5, 1990.

IV. APPLICABLE LAW

10. Section 75-71-105 states as follows:

(a) [An agent is] any individual other than a broker-dealer who represents a

broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

(b) '[b]roker-dealer' means any person engaged in the business of effecting transactions in securities for the account of others or for his own account.

11. A "security" is defined in § 75-71-105(l) of the Securities Act as:

any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting-trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease; interest in a limited partnership; or, in general, any interest or instrument commonly known as a 'security,' or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

12. With respect to the denial, suspension or revocation of registration, § 75-71-321(a) of the Act states:

The secretary of state may by order deny, suspend or revoke any registration if the secretary of state finds (1) that the order is in the public interest and (2) that the applicant or registrant . . . (B) Has wilfully violated or wilfully failed to comply with any provision of this chapter or any rule or order under this chapter; . . . (D) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business; [or] . . . (F) Has engaged in dishonest or unethical practices in the securities business . . . .

13. Section 75-71-715 of the Act authorizes the imposition of administrative penalties:

Whenever it appears to the Secretary of State that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order hereunder, he may, in his discretion, seek any or all of the following remedies . . .

(2)(a) Issue an order in the case of an issuer of registered securities, broker-dealer, . . . imposing an administrative penalty up to a maximum of Twenty-five Thousand Dollars ($25,000) for each offense and each violation shall be considered as a separate offense in a single proceeding or a series of related proceedings; to be paid to the Secretary of State and requiring reimbursement

> to the Secretary of State for all costs and expenses incurred in the investigation of the violation(s) and in the institution of administrative proceedings, if any, as a result thereof . . . .

14. Pursuant to § 75-71-115 of the Act, it is unlawful to make false or misleading statements to the Division:

> It is unlawful for any person to make or cause to be made, in any document filed with the Secretary of State or in any proceeding under this chapter, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

15. Registration of broker-dealers and/or agents is required pursuant to § 75-71-301 of the Act, which states

> . . . it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this chapter. . . . it is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. The registration of an agent is not effective during any period when he is not associated with a particular broker-dealer registered under this chapter or a particular issuer. When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities which make him an agent, the agent as well as the broker-dealer or issuer shall promptly notify the Secretary of State.

16. Securities cannot be offered or sold in this state without a valid registration with the Division or an applicable exemption from registration pursuant to § 75-71-401, which states

> . . . it is unlawful for any person to offer or sell any security in the State of Mississippi unless (1) it is registered under this chapter or (2) the security or transaction is exempted under Article 3 of this chapter.

17. Section 75-71-207 states as follows:

> In any proceeding under this chapter, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

18. Section 75-71-501 provides the following:

> It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, . . . (3) To engage in any act, practice or course of

business which operates or would operate as a fraud or deceit upon any person.

19. Section 75-71-735 of the Act provides as follows:

> Any person who wilfully violates any provision of this chapter, . . . or who wilfully violates any rule or order under this chapter, or who wilfully violates section 75-71-115 knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than twenty-five thousand dollars ($25,000.00) or imprisoned not more than five (5) years, or both . . .

20. Mississippi Securities Act Rule 507, requires notification by a broker-dealer whenever information contained in any application or amendment for registration changes in a material way. These changes include the following:

> G) The naming of a broker/dealer, principal, officer, and/or agent as a defendant or respondent in one or more of the following instances . . .
>
> 3) Administrative allegations involving a security or any aspect of the securities business, or any activity alleging a breach of a fiduciary trust, or fraud;
>
> 4) Arbitration proceedings with allegations involving a security or any aspect of the securities business, or any activity alleging a breach of fiduciary trust, or fraud;
>
> 5) Any proceeding in which an adverse decision could result in:
> a) A denial, suspension or revocation, or the equivalent of those terms, of a license, permit, registration or charter;
> b) [T]he imposition of a fine or other penalty; or
> c) An expulsion or bar from membership in an association or organization.

21. Broker-dealers and agents are required to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business pursuant to Mississippi Securities Act Rule 523. That rule provides, in part:

> Each broker/dealer and agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including but not limited to the following, are considered contrary to such

standards and may constitute grounds for denial, suspension or revocation of registration, imposition of fines, or such other action authorized by statute.

A) Broker/Dealers

1) Causing any unreasonable delays in the placement of orders, execution of orders, and/or the delivery of securities purchased by any of its customers . . .

4) Executing a transaction on behalf of a customer without authorization to do so;

5) Marking any order tickets or confirmations as unsolicited when in fact the transaction is solicited;

22. Mississippi Securities Act Rule 515 requires broker/dealers to keep and maintain current records sufficient to provide an audit trail:

> Every broker/dealer registered in this State shall make and keep current such records as are appropriate for said broker/dealer's course of business and are sufficient to provide an audit trail of all business transactions by said broker/dealer, . . .

V. COUNT ONE - UNREGISTERED TRANSACTIONS

23. Paragraphs 1 hrough 22 are incorporated and made a part hereof as if more fully set forth herein.

24. Section 75-71-401 of the Act provides that all securities offered or sold in Mississippi must be either registered or exempted under Chapter 71 of the Mississippi Securities Act (§§ 75-71-101 et seq.)

25. On or about August 4, 1994, Respondent Stratton offered and sold M. H. Meyerson & Co. to a client in this state, James T. Sides. M. H. Meyerson & Co. is a "security" as defined in § 75-71-105(l) of the Act. At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit B.

26. On or about August 5, 1994, Respondent Stratton offered and sold M. H. Meyerson & Co. to a client in this state, James T. Sides. M. H. Meyerson & Co. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit B.

27. On or about April 5, 1994, Respondent Stratton offered and sold M. H. Meyerson & Co. to a client in this state, Thomas Smithhart. M. H. Meyerson & Co. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit B.

28. On or about March 17, 1994, Respondent Stratton offered and sold Octagon Inc. to a client in this state, James Sides. Octagon Inc. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit C.

29. On or about December 21, 1993, Respondent Stratton offered and sold Steve Madden Ltd. to a client in this state, William Hancock. Steve Madden Ltd. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit D.

30. On or about December 13, 1993, Respondent Stratton offered and sold 4,000 shares and 300 units of Steve Madden Ltd. to a client in this state, Stephen Ridge. Steve Madden Ltd. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit D.

31. On or about December 31, 1993, Respondent Stratton sold 3,450 shares of Steve

Madden Ltd. from the account of a client in this state, Stephen Ridge. Steve Madden Ltd. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit D.

32. On or about January 19, 1994, Respondent Stratton offered and sold 400 units and 3,500 shares of M. H. Meyerson & Co. to a client in this state, Stephen Ridge. M.H. Meyerson & Co. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit B.

33. On or about March 2, 1994, Respondent Stratton sold 400 units and 3,500 shares of M. H. Meyerson & Co. from the account of Stephen Ridge, a resident of this state. M. H. Meyerson & Co. is a "security" as defined in § 75-71-105(l) of the Act. At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit B.

34. On or about March 2, 1994, Respondent Stratton offered and sold 3,800 shares of Octagon Inc. to a client in this state, Stephen Ridge. Octagon Inc. is a "security" as defined in § 75-71-105(l) of the Act. At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit C.

35. On or about August 18, 1994, Respondent Stratton offered and sold 10,000 shares and 500 units of Select Media Communications Inc. to a client in this state, Billy Wiseman. Select Media Communications Inc. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of

Non-Registration attached hereto as Exhibit E.

36. On or about August 18, 1994, Respondent Stratton offered and sold 4,000 shares, 300 units, and 2,000 shares of Select Media Communications Inc. to a client in this state, James Sides. Select Media Communications Inc. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit E.

37. On or about November 30, 1994, Respondent Stratton offered and sold Select Media Communications Inc. to a client in this state, Hugh Statum. Select Media Communications Inc. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit E.

38. On or about September 20, 1994, and on or about October 13, 1994, Respondent Stratton offered and sold Select Media Communications Inc. to a client in this state, Steven Lipson. Select Media Communications Inc. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit E.

39. On or about October 20, 1994, Respondent Stratton offered and sold Solomon Page Group Ltd. to a client in this state, Billy Wiseman. Solomon Page Group Ltd. is a "security" as defined in § 75-71-105(l). At the time of the transaction, the securities were not registered with the Division, as evidenced by the Certificate of Non-Registration attached hereto as Exhibit F.

40. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with § 75-71-401 of the Act by offering and/or selling securities that were

neither registered nor exempted from registration with the Division, which constitutes a basis for the suspension and/or revocation of the registrations of Respondents Stratton and Porush pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

VI. COUNT TWO- MARKING TICKETS "UNSOLICITED"

41. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

42. Mississippi Securities Act Rule 523(A)(5) makes it unlawful to mark an order ticket or confirmation as unsolicited when the transaction is in fact solicited.

43. A confirmation from Respondent Stratton to clients in this state, Robert S. Jacobs & Jimmie R. Jacobs, for the sale of Producers Entertainment Group, Ltd. with a settlement date of March 3, 1992, is marked as "unsolicited." This trade was solicited from that client by an agent of Respondent Stratton, George Greco.

44. A confirmation from Respondent Stratton to a client in this state, Thomas G. Smithhart, for the sale of M. H. Meyerson & Co. with a settlement date of July 12, 1994, is marked as "unsolicited order." This trade was solicited from that client by an agent of Respondent Stratton.

45. A confirmation from Respondent Stratton to a client in this state, Thomas G. Smithhart, for the sale of SMT Health Services Inc. with a settlement date of September 9, 1993, is marked as "unsolicited." This trade was solicited from that client by an agent of Respondent Stratton, Jeffrey R. Wood.

46. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with Mississippi Securities Act Rule 523(A)(5) by marking confirmations

as being "unsolicited" when in fact the transactions were solicited, which constitutes a basis for the suspension and/or revocation of the registrations of Respondents Stratton and Porush pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

VII. COUNT THREE - INACCURATE BOOKS AND RECORDS

47. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

48. All registered broker-dealers are required to make and keep current "such records as are appropriate for said broker/dealer's course of business and are sufficient to provide an audit trail of all business transactions by said broker/dealer," pursuant to Mississippi Securities Act Rule 515. Implicit within the books and records requirement is the fact that they should be current and accurate; otherwise an audit trail cannot be maintained.

49. On or about June 27, 1995, Respondent Stratton, by and through its agent Michael Pugliese, effected transactions concerning shares of J. B. Oxford Holdings, Inc. and Diagnostic Imaging Services Inc. on behalf of a client, Anthony Haueisen. As of that date, Respondent Stratton still reflected an address of 5147 Meadowbrook Road, Jackson, Mississippi 39211, for Anthony Haueisen even though the client had moved to Ohio.

50. On numerous occasions during the time period of April 1994 until on or about October 1994, Respondent Stratton listed 8818 on confirmations as a designated number for the agent of Billy Wiseman, a Mississippi resident and client of Respondent Stratton. J. B. Oxford & Company, the clearing firm for Respondent Stratton, has no record of this number belonging to an agent for Respondent Stratton.

51. On the confirmation for the purchase of 1,000 shares of Computer Marketplace Inc. with a trade date of March 4, 1994, on behalf of Michael E. Dunlap, a Mississippi resident, Respondent Stratton listed 8825 as the designated number for the agent. J. B. Oxford & Company, the clearing firm for Respondent Stratton, has no record of this number belonging to an agent for Respondent Stratton.

52. On the confirmation for the sale of 100 shares of Dr. Pepper 7UP Companies Inc. with a trade date of October 27, 1994, and on the confirmation for the purchase of 3,000 shares of Master Glazier's Karate International Inc. with a trade date of November 4, 1994, for the account of Donald Allen, a Mississippi resident, Respondent Stratton listed 8835 as the designated number for the agent. J. B. Oxford & Company, the clearing firm for Respondent Stratton, has no record of this number belonging to an agent for Respondent Stratton.

53. On the confirmation for the purchase of 1,100 shares of Computer Marketplace Inc. with a trade date of July 5, 1994, and on the confirmation for the sale of 600 shares of M. H. Meyerson & Co. with a trade date of July 5, 1994, for the account of Thomas Smithhart, a Mississippi resident, Respondent Stratton listed 8887 as the designated number for the agent. J. B. Oxford & Company, the clearing firm for Respondent Stratton, has no record of this number belonging to an agent for Respondent Stratton.

54. On the confirmation for the purchase and sale of 200 shares of Dr. Pepper 7UP Companies Inc. with trade dates of March 31, 1994, and April 7, 1994, for the account of Robert C. Wilkerson, III, a Mississippi resident, Respondent Stratton listed 8434 as the designated number for the agent. J. B. Oxford & Company, the clearing firm for Respondent Stratton, has no record of this number belonging to an agent for Respondent Stratton.

55. On or about December 13, 1993, Kenneth James Fuina, an agent of Respondent Stratton, told Stephen Ridge, a resident of this state, to open a second Stratton customer account with a Georgia address because certain securities being offered for sale by Stratton were not registered in this state. Transactions were effected on behalf of Mississippi resident Stephen Ridge using this Georgia address in the securities of Steve Madden Ltd., Computer Marketplace, and M.H. Meyerson.

56. David Michael Beall, an agent of Respondent Stratton, attempted to get Michael Edwin Dunlap, a resident of this state, to open a second Stratton customer account with a Florida address because certain securities that Respondent Stratton wished to offer to Mr. Dunlap were not registered for sale in this state. Mr. Dunlap never opened the account with the Florida address although Stratton requested that he do so on several occasions.

57. On or about August 18, 1994, Paul Meltzer, an agent of Respondent Stratton, told James T. Sides, a resident of this state, to open a second Stratton customer account with a Georgia address because certain securities being offered for sale by Stratton were not registered in this state. Transactions were effected on behalf of Mississippi resident James T. Sides using this Georgia address in the securities of Select Media Communications and Octagon, Inc.

58. The use of inaccurate addresses on the books and records of Respondent Stratton is a violation of Mississippi Securities Act Rule 515 in that a sufficient audit trail has not been maintained. Furthermore, failure to have accurate agent numbers on confirmations is a violation of Mississippi Securities Act Rule 515 in that a sufficient audit trail has not been maintained.

59. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with Mississippi Securities Act Rule 515 by having inaccurate books and records, which constitutes a basis for the suspension and/or revocation of the registrations of

Respondents Stratton and Porush pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

VIII. - COUNT FOUR - FAILURE TO DISCLOSE

60. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

61. Pursuant to Mississippi Securities Act Rule 507, registered broker-dealers and/or agents are required to notify the Division within thirty (30) days of any material changes to information already on file. One of the enumerated material changes is the naming of the broker-dealer, or any of its principals, officers, or agents in an administrative action or arbitration proceeding with allegations "involving a security or any aspect of the securities business."

62. On or about August 22, 1991, MCH Transportation Co., a corporation located in Mississippi, filed an arbitration action, Case No. 91-03695, against Respondent Stratton, with the National Association of Securities Dealers, Inc. ("NASD"). This action has not been disclosed by the Respondents to the Division.

63. On or about February 25, 1992, Deward G. Fountain, a resident of this state, filed an arbitration action, Case No. 92-00687, against Respondent Stratton, with the National Association of Securities Dealers, Inc. ("NASD"). This action has not been disclosed by the Respondents to the Division.

64. On or about December 15, 1992, Ron Lott, a resident of this state, filed an arbitration action, Case No. 92-02490, against Respondents Stratton and Porush, with the NASD. This action has not been disclosed by the Respondents to the Division.

65. On or about July 13, 1994, the NASD filed Complaint No. C10940044 against

Respondent Stratton for violations of the NASD Rules of Fair Practice. This action has not been disclosed by the Respondents to the Division.

66. On or about April 12, 1994, the state of Maryland issued an Order to Show Cause and Summary Suspension against Respondent Stratton. A consent order was entered into on or about April 20, 1994. These actions have not been disclosed by the Respondents to the Division.

67. On or about March 23, 1995, the state of New Jersey issued a complaint against Respondent Stratton to revoke its broker-dealer registration and Respondent Porush to revoke his agent registration. This action has not been disclosed by the Respondents to the Division.

68. On or about April 12, 1995, the state of Vermont issued a Notice of Intent to Revoke Broker-Dealer Registration against Respondent Stratton. This action has not been disclosed by the Respondents to the Division.

69. On or about April 20, 1995, the state of South Carolina issued an administrative notice against Respondent Stratton to revoke its registration in that state. On or about May 23, 1995, the state of South Carolina summarily suspended Respondent Stratton's broker-dealer registration in that state. These actions have not been disclosed by the Respondents to the Division.

70. On or about April 26, 1995, the NASD filed Complaint No. C10950032 against Respondent Stratton for violations of the NASD Rules of Fair Practice and By-Laws. This action has not been disclosed by the Respondents to the Division.

71. On or about May 2, 1995, the state of Pennsylvania issued an Order to Show Cause against Respondent Stratton to deny, suspend or revoke its broker-dealer registration in that state. This action has not been disclosed by the Respondents to the Division.

72. On or about May 12, 1995, the state of Massachusetts issued an administrative

complaint against Respondent Stratton to revoke its broker-dealer registration in that state. This action has not been disclosed by the Respondents to the Division.

73. On or about June 19, 1995, the state of Georgia issued an Order of Suspension of Respondent Stratton's broker-dealer registration in that state. An Order of Reinstatement and Conditional Registration was entered on July 12, 1995. These actions have not been disclosed by the Respondents to the Division.

74. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with Mississippi Securities Act Rule 507 by failing to disclose within the prescribed time period the above-described arbitrations and state administrative actions, which constitutes a basis for the suspension and/or revocation of the registrations of Respondents Stratton and Porush pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

IX. COUNT FIVE - MISLEADING FILINGS

75. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

76. Section 75-71-115 makes it unlawful for any person to make or cause to be made in any document filed with the Division any material statement which is false or misleading "at the time and in the light of the circumstances under which it is made."

77. On or about April 14, 1995, a document request list was hand delivered to Respondent Stratton, by and through its President, Respondent Porush, and its attorneys. This request included the following:

A copy of any and all complaints filed by Mississippi residents against the firm

and/or any agents from February 14, 1990 until present. A statement of the current status of each complaint should accompany this list.

78. The Division reiterated the request on May 2, 1995, May 8, 1995, May 25, 1995, and July 12, 1995. Partial responses were received by Respondent Stratton, by and through its attorneys, on May 18, 1995, July 14, 1995, July 18, 1995, and July 25, 1995. In all of the responses by Respondent Stratton, by and through its attorneys, the only name given in response to that question was E.B. McNeely. That name was given in the July 14, 1995 letter from Watkins Ludlam & Stennis, Respondent Stratton's attorneys, which states, ". . . Stratton Oakmont has now responded to all applicable items in your March 27, 1995 and April 14, 1995 requests."

79. By letter dated July 5, 1991, James Allen High, Jr., a Mississippi resident and client of Respondent Stratton, complained to Peter Kirschner at Respondent Stratton's offices in Lake Success, New York, about losses and requested closure of his account. This letter has not been provided to the Division by Respondent Stratton.

80. By letter dated August 3, 1992, Earl H. Fayard, Jr., a Mississippi resident and client of Respondent Stratton, complained to Bear, Stearns Securities Corporation about the unauthorized trading by an agent of Respondent Stratton. William Nunziato from Respondent Stratton's Compliance Department responded to Mr. Fayard's letter on August 5, 1992. By letter dated August 10, 1992, Barbara Feigelman, Vice President of Client Services for Bear, Stearns Securities Corporation, responded to Mr. Fayard's letter by explaining that their firm only provides "clearance services on a fully disclosed basis" for Respondent Stratton. In that letter, Ms. Feigelman stated that Mr. Fayard's letter was forwarded to William Nunziato at Respondent Stratton for review and reply. By letter dated February 22, 1993, and addressed to the Compliance Officer of Respondent Stratton,

Mr. Fayard again complained about the unauthorized trading in his account. These letters have not been provided to the Division by Respondent Stratton.

81. By letter dated April 19, 1994, Jimmy Harold Jones, a Mississippi resident and client of Respondent Stratton, complained about unauthorized trading to Jordon Shama at Respondent Stratton's Lake Success address. By letter dated January 25, 1995, Mr. Jones complained again about unauthorized trading to Pat Hayes at Respondent Stratton. These letters have not been provided to the Division by Respondent Stratton.

82. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with § 75-71-115 of the Act by making false or misleading filings with the Division by not being responsive to the Division's request for complaints by Mississippi residents and by stating that all complaints had been submitted to the Division when in fact that was not the case, which constitutes a basis for the suspension and/or revocation of the registrations of Respondents Stratton and Porush pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

X. COUNT SIX - UNAUTHORIZED TRANSACTIONS AND OPENING OF ACCOUNTS

83. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

84. Mississippi Securities Act Rule 523(A)(4) provides that executing transactions on behalf of a client or opening accounts without authorization is grounds for denial, suspension or revocation of registration.

85. On or about June 14, 1991, Ezra Farbiarz, an agent of Respondent Stratton, purchased 2,500 shares of Ventura Entertainment Group Ltd. on behalf of Ron Lott, a resident of this state,

without authorization.

86. On or about March 7, 1995, David Markel, an agent of Respondent Stratton, purchased shares of Time Warner on behalf of Allen Edward Crosthwait, a resident of this state, without authorization. Even though Mr. Crosthwait had never authorized the trade or even the opening of an account, Mr. Crosthwait received a packet in the mail with a confirmation of this trade. This trade was canceled at some point by Respondent Stratton.

87. On or about November 5, 1991, Michael Craig Straus, an agent of Respondent Stratton, purchased shares of Visual Equities on behalf of Earl H. Fayard, a resident of this state, without authorization.

88. On or about November 5, 1991, Michael Craig Straus, an agent of Respondent Stratton, sold shares of Licon International Inc. from the account of Earl H. Fayard, a resident of this state, without authorization.

89. On or about September 11, 1992, William John Mooney, an agent of Respondent Stratton, sold all shares of Licon International Inc. for the account of Charles M. Merkel, a resident of this state, without authorization. The Stratton agent only had authorization to sell a limited number of shares of the stock for that client.

90. On or about September 11, 1992, William John Mooney, an agent of Respondent Stratton, purchased more shares of PDK Labs, Inc. for the account of Charles M. Merkel, a resident of this state, than he had authorization to purchase. At that same time, Mr. Mooney without Mr. Merkel's authorization, sold all of the shares of Licon International Inc. in Mr. Merkel's account. Mr. Mooney only had authorization to sell a limited number of the Licon International Inc. shares. When Mr. Merkel discovered what had happened, he ordered Mr. Mooney and his associate at

Respondent Stratton to sell shares of PDK Labs, Inc. to repurchase the shares of Licon International Inc. Respondent Stratton, by and through its agent Mr. Mooney and his associate, failed to follow Mr. Merkel's instructions.

91. On or about January 4, 1995, Lance Jason Rosen, an agent of Respondent Stratton, purchased 100 shares of Dr. Pepper for the account of James Smith, Jr., a resident of this state, without authorization. When solicited for the purchase of securities, Mr. Smith requested more information about the securities. On or about January 4, 1995, Mr. Rosen called Mr. Smith and told him that $2,000 was owed for the stock purchased. This stock purchase was without Mr. Smith's authorization. Mr. Rosen also told Mr. Smith that if the amount due was not paid, it would go on Mr. Smith's credit report.

92. On or about April 16, 1993, Jeffrey Ross Wood, an agent of Respondent Stratton, purchased 500 shares of Licon International Inc. on behalf of Thomas G. Smithhart, a resident of this state, without authorization.

93. On or about April 16, 1993, Jeffrey Wood, an agent of Respondent Stratton, purchased shares of Licon International Inc. without authorization for the account of Thomas G. Smithhart, a resident of this state. Mr. Smithhart kept the Licon shares in his account. On or about August 31, 1993, Mr. Smithhart agreed to purchase additional shares of Licon International Inc. with the proceeds of the sale of SMT Health Services Inc. Agent Wood, contrary to Mr. Smithhart's instructions, purchased more shares than he was authorized to purchase. As a result, Mr. Smithhart suffered a loss when shares of Licon had to be sold.

94. On or about August 11, 1994, Matthew Bloom, an agent of Respondent Stratton, sold IDM Environmental Corp. warrants from the account of Billy Wiseman, a resident of this state,

without authorization.

95. On or about February 14, 1995, Joseph Teseo, an agent of Respondent Stratton, purchased 500 shares of DualStar Technologies Corp. on behalf of Donald Everett Allen, a resident of this state, without authorization.

96. On or about January 30, 1995, James Garofalo and/or George Patsis, agents of Respondent Stratton, sold shares of United Leisure Corp from the account of William Anderson Thomas, Jr., a resident of this state, without authorization.

97. On or about January 30, 1995, James Garofalo and/or George Patsis, agents of Respondent Stratton, sold 2,000 shares of Select Media Communications, Inc. from the account of William Anderson Thomas, Jr., a resident of this state, without authorization.

98. On or about January 30, 1995, James Garofalo and/or George Patsis, agents of Respondent Stratton, purchased 20,000 shares of Master Glazier's Karate International Inc. on behalf of William Anderson Thomas, Jr. without authorization.

99. On or about September 19, 1991, Howard Scott Gelfand, an agent of Respondent Stratton, sold 500 shares of Iowa Beef Processors from the account of Deward G. Fountain, a resident of this state, without authorization.

100. On or about September 19, 1991, Howard Scott Gelfand, an agent of Respondent Stratton, sold 1,000 shares of IPS Healthcare, Inc. from the account of Deward G. Fountain, a resident of this state, without authorization.

101. On or about September 19, 1991, Howard Scott Gelfand, an agent of Respondent Stratton, purchased 2,000 shares of Licon International Inc. on behalf of Deward G. Fountain, a resident of this state, without authorization.

102. On or about September 3, 1992, Paul Joseph Greco, an agent of Respondent Stratton, purchased 1000 shares of PDK Labs, Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

103. On or about September 9, 1992, Paul Joseph Greco, an agent of Respondent Stratton, purchased 1000 shares of PDK Labs, Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

104. On or about September 18, 1992, Paul Joseph Greco, an agent of Respondent Stratton, purchased 1000 shares of PDK Labs, Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

105. On or about September 30, 1992, Paul Joseph Greco, an agent of Respondent Stratton, purchased 5000 shares of Healthcare Imaging Services Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

106. On or about November 9, 1992, Richard L. Karp, an agent of Respondent Stratton, purchased 1000 shares of PDK Labs, Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

107. On or about November 18, 1992, Jordan Shamah, an agent of Respondent Stratton, sold 5000 shares of Healthcare Imaging Services Inc. from the account of Jimmy Harold Jones, a resident of this state, without authorization.

108. On or about November 18, 1992, Jordan Shamah, an agent of Respondent Stratton, sold 2000 shares of PDK Labs, Inc. from the account of Jimmy Harold Jones, a resident of this state, without authorization.

109. On or about December 3, 1992, Jordan Shamah, an agent of Respondent Stratton,

purchased 8,000 shares Healthcare Imaging Services Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

110. On or about December 21, 1992, Jordan Shamah, an agent of Respondent Stratton, purchased 17,000 Healthcare Imaging Services Inc. warrants on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

111. On or about December 21, 1992, Jordan Shamah, an agent of Respondent Stratton, sold 8,000 shares Healthcare Imaging Services Inc. on behalf of Jimmy Harold Jones, a resident of this state, without authorization.

112. On or about January 14, 1993, Jordan Shamah, an agent of Respondent Stratton, sold 17,000 Healthcare Imaging Services Inc. warrants for the account of Jimmy Harold Jones, a resident of this state, without authorization.

113. F. V. Clark, a resident of this state, is listed on the records of Respondent Stratton's clearing firm, J. B. Oxford & Company, as having an account with Respondent Stratton when in fact Mr. Clark never authorized the opening of an account.

114. Charles Cuevas and Edie Cuevas, residents of this state, are listed on the records of Respondent Stratton's clearing firm, J. B. Oxford & Company, as having an account with Respondent Stratton when in fact Mr. Cuevas never authorized the opening of an account.

115. Hilton Lee, a resident of this state, is listed on the records of Respondent Stratton's clearing firm, J. B. Oxford & Company, as having an account with Respondent Stratton when in fact Mr. Lee never authorized the opening of an account.

116. William Haskell McCann, a resident of this state, is listed on the records of Respondent Stratton's clearing firm, J. B. Oxford & Company, as having an account with

Respondent Stratton when in fact Mr. McCann never authorized the opening of an account.

117. Raymond Oltremari, a resident of this state, is listed on the records of Respondent Stratton's clearing firm, J. B. Oxford & Company, as having an account with Respondent Stratton when in fact Mr. Oltremari never authorized the opening of an account.

118. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with Mississippi Securities Act Rule 523(A)(4) by executing transactions on behalf of a clients and opening accounts without authorization to do so, which constitutes a basis for the suspension and/or revocation of the registrations of Respondents Stratton and Porush pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

XI. COUNT SEVEN - PERMANENT INJUNCTION

119. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

120. The United States Securities And Exchange Commission (the "Commission") on March 17, 1994 entered into an Order (the "Commission Order") with Respondents Stratton and Porush. In the Commission Order, the Commission found that Respondent and its representatives wilfully violated Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act of 1934 and Rule 10b-5 thereunder in that Respondent Stratton., by and through its registered representatives, engaged in fraudulent sales practices in the offer and sale of certain securities.

121. Pursuant to the Commission Order, an Independent Consultant was retained to review Respondent Stratton's operations and to formulate and recommend appropriate sales practices, policies and procedures. The Report by the Independent Consultant was issued on August 18, 1994.

On December 19, 1994, Judge Joyce Hens Green of the United States District Court for the District of Columbia issued a temporary restraining order ("TRO") in this matter requiring Respondent to fully comply with the Commission Order before the TRO expired. On January 11, 1995, the Court issued a Preliminary Injunction ordering Respondent to implement the recommendations of the Report and comply with the Commission Order. On February 28, 1995, the Court issued a Permanent Injunction restraining and enjoining Respondent Stratton and "its officers, agents, servants, employees, attorneys, and those persons in active concert or participation with it" from violating the Commission Order. On or about May 11, 1995, Judge Green denied Respondent Stratton's Motion to Vacate or Modify the Permanent Injunction.

122. The Respondents are permanently enjoined by a court of competent jurisdiction from engaging in and/or continuing certain conduct as set forth above concerning Respondent Stratton's securities business, which constitutes a basis for suspension and/or revocation pursuant to § 75-71-321(a)(2)(D) of the Mississippi Securities Act.

XII. COUNT EIGHT - TRADING AFTER SUSPENSION

123. Paragraphs 1 through 22 are incorporated and made a part hereof as if more fully set forth herein.

124. Pursuant to the authority granted in § 75-71-325, the Division issued a Summary Suspension on March 6, 1995. This Summary Suspension ordered Respondent Stratton to "cease any further activity in, or originating from, the State of Mississippi in connection with the offer and/or sale of securities."

125. On or about March 14, 1995, Respondent Stratton, by and through its agent, Stephen

Stuart, sold to a client in this state, Richard Vaden, shares of Care Group.

126. On or about March 14, 1995, Respondent Stratton, by and through its agent, Ashish Shrivastava, sold to clients in this state, Charles H. Griner and Brenda M. Griner, shares of Care Group.

127. On or about March 14, 1995, Respondent Stratton, by and through its agent, Stephen Stuart, sold to clients in this state, Edwin Randolph Noble, Jr. and Jena G. Noble, shares of Care Group.

128. On or about March 22, 1995, Respondent Stratton, by and through its agent, Paul Howard Meltzer and/or Jason Eliot Loeb, sold for a client in this state, Frank Yerger, 100 shares of Nestle.

129. On or about April 4, 1995, Respondent Stratton, by and through its agent, Joseph Teseo, sold for a client in this state, Jim R. Linville, shares of IDM Environmental Corporation.

130. On or about April 27, 1995, Respondent Stratton, by and through its agent Paul Howard Meltzer and/or Jason Eliot Loeb, sold for a client in this state, Melton V. Broome, shares of Quaker Oats Company.

131. By engaging in the conduct described above, Respondents wilfully violated or wilfully failed to comply with an Order issued by the Division by executing transactions after its broker-dealer registration was summarily suspended by the Division on March 6, 1995, which constitutes a basis for revocation and/or suspension pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act.

XIII. COUNT NINE - FRAUD

132. Paragraphs 1 through 131 are incorporated and made a part hereof as if more fully set forth herein.

133. Section 75-71-501 of the Act makes it unlawful for any person, in connection with the offer, sale or purchase of any securities to directly or indirectly "engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person."

134. By engaging in the activities described above in this Amended Notice, Respondents Stratton and Porush have engaged in acts, practices and/or a course of business which has operated as a fraud or deceit upon the residents of this state.

135. Section 75-71-321(a)(2)(F) of the Act provides that by engaging in dishonest or unethical practices in the securities business, the Division can deny, suspend, and/or revoke the registrations of Respondents Stratton and Porush.

136. By engaging in the activities described above in this Amended Notice, Respondents Stratton and Porush have engaged in dishonest and unethical practices, which provides a basis for suspending and/or revoking their registrations.

XIV. CONCLUSIONS OF LAW

137. Paragraphs 1 through 136 are incorporated and made a part hereof as if more fully set forth herein.

138. This Amended Summary Suspension and Notice of Intent to Revoke Registration is issued in the public interest and for the protection of investors consistent with the purpose of the Act.

139. Wilfully violating or wilfully failing to comply with § 75-71-401 of the Act in

offering and/or selling unregistered securities is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section V, Count One, Paragraphs 23 through 40 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

140. Wilfully violating or wilfully failing to comply with Mississippi Securities Act Rule 523(A)(5) by marking order tickets or confirmations as unsolicited when in fact the transaction is solicited is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section VI, Count Two, Paragraphs 41 through 46 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

141. Wilfully violating or wilfully failing to comply with Mississippi Securities Act Rule 515 by not keeping accurate and appropriate books and records is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section VII, Count Three, Paragraphs 47 through 59 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

142. Wilfully violating or wilfully failing to comply with Mississippi Securities Act Rule 507 by not notifying the Division of material changes to the information on file is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-

321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section VII, Count Four, Paragraphs 60 through 74 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

143. Wilfully violating or wilfully failing to comply with § 75-71-115 of the Act by making or causing to be made false or misleading filings with the Division is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section IX, Count Five, Paragraphs 75 through 82 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

144. Wilfully violating or wilfully failing to comply with Mississippi Securities Act Rule 523(A)(4) by executing transactions on behalf of a client or opening accounts without authorization is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section X, Count Six, Paragraphs 83 through 118 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

145. Being permanently enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(D) of the Act. By being subject to a permanent injunction as described in Section XI,

Count Seven, Paragraphs 119 through 122 of this Notice, Respondents Stratton and Porush have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

146. Wilfully violating or wilfully failing to comply with the Summary Suspension issued by the Division on March 6, 1995, by executing transactions on behalf of residents of this state after the date of the suspension is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the conduct described in Section XII, Count Eight, Paragraphs 123 through 131 of this Notice, Respondent Stratton and Respondent Porush, as President of Respondent Stratton, have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

147. Engaging in acts, practices and/or a course of business which has operated or will operate as a fraud or deceit upon the residents of this state is grounds for suspension and/or revocation of broker-dealer and/or agent registration pursuant to § 75-71-321(a)(2)(B) and/or (F) of the Act. By engaging in the activities described above in this Amended Notice, Respondents Stratton and Porush have engaged in actions which constitute a basis for the suspension and/or revocation of their registrations.

XV. RIGHT TO AMEND

148. The Division reserves the right to amend this Amended Summary Suspension and Notice of Intent to Revoke Registration to allege additional violations.

XVI. NOTICE AND SUMMARY SUSPENSION

The Secretary of State, Securities Division issued a Summary Suspension and Notice of Intent to Revoke Registration ("the Original Notice") on March 6, 1995, in the matter of Stratton Oakmont, Inc. By notice herein, the Division is amending the Original Notice to include additional allegations. By notice herein, the Division is amending the Original Notice to request imposition of an administrative penalty pusuant to § 75-71-715(2)(a) of up to a maximum of twenty-five thousand dollars ($25,000) for each offense, in addition to the seeking of revocation of the registrations of Respondents Stratton and Porush.

Respondent Stratton duly requested a hearing within the required thirty (30) day time period from the date of the Original Notice. The hearing has been set for 9:00 a.m. on Wednesday, September 13, 1995, at the offices of the Secretary of State, 202 North Congress Street, 6th Floor Conference Room, Jackson, Mississippi, before the Honorable James O. Nelson II, the hearing officer. Be advised that the hearing will include the information and allegations set forth in both the Original Notice and this Amended Notice.

IT IS THEREFORE ORDERED, pursuant to the authority set out in § 75-71-321 of the Act, that the broker-dealer registration of Respondent Stratton Oakmont, Inc. shall continue to be **SUSPENDED** and that Respondent Stratton is ordered to not transact any further activity in, or originating from, the State of Mississippi in connection with the offer and/or sale of securities.

BE ADVISED THAT, pursuant to Section 75-71-735 of the Act, a willful violation of the Original Notice and Summary Suspension and/or this Amended Notice and Summary Suspension may be punishable upon conviction by a fine of not more than twenty-five thousand dollars

($25,000) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

Entered, this the 14th day of August, 1995.

Dick Molpus
Secretary of State

BY: Susan A. Shands
Susan A. Shands
Assistant Secretary of State
Securities Division

Securities Division
Secretary Of State
Post Office Box 136
202 North Congress Street
Suite 601
Jackson MS 39201
(601) 359-6364

State of Mississippi

Office of Secretary of State

Jackson

I, Dick Molpus, Secretary of State of the State of Mississippi, do hereby certify that the within and attached is a true and correct copy of

Amended Summary Suspension and Notice of
Intent to Revoke Registration and
Impose Administrative Penalty
Entered in the Matter of
Stratton Oakmont, Inc. and Daniel Mark Porush
Amdinistrative Proceeding Number 95-03-03

the original of which is now a matter of record in this office

SECRETARY OF STATE
OFFICIAL
STATE OF MISSISSIPPI

Given under my hand and Seal of Office this the

14th day of August, 1995

Dick Molpus

Secretary of State

State of Mississippi

Office of Secretary of State

Jackson

I, Dick Molpus, Secretary of State of the State of Mississippi, do hereby certify that the within and attached is a true and correct copy of

Original Uniform Application for
Broker-Dealer Registration as Filed by
Stratton Oakmont, Inc.
February 1, 1990

the original of which is now a matter of record in this office

SECRETARY OF STATE
OFFICIAL
STATE OF MISSISSIPPI

Given under my hand and Seal of Office this the
11th day of August, 1995

Secretary of State

EXHIBIT A

FORM BD
PAGE 1
(Execution Page)
(revised 7/88)

UNIFORM APPLICATION FOR BROKER-DEALER REGISTRATION

NASD

OFFICIAL USE

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of business as a broker-dealer would violate the Federal securities laws and the laws of the jurisdictions and may result in disciplinary, administrative, injunctive or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS.

☒ APPLICATION ☐ AMENDMENT FIRM CRD NO.: 18692

1. Exact name, principal business address, mailing address, if different, and telephone number of applicant:

A. Full name of applicant (If sole proprietor, state last, first, and middle name)

Stratton Oakmont Inc.

B. IRS Empl. Ident. No.: 13-3372902

SECURITIES DIVISION FILED: FEB 1 1990 SECRETARY OF STATE

C. Name under which business is conducted, if different:

D. If name of business is hereby amended, state previous name:

E. Firm main address:

1 Linden Place - Suite 206 (Number and Street) Great Neck, (City) New York (State) 11021 (Zip Code)

Mailing Address, if different:

F. Telephone Number:

(516) 829-1010 (Telephone Number)

G. Michael A. Valenoti CONTACT EMPLOYEE

EXECUTION: For the purpose of complying with the laws of the State(s) designated in Item 2 relating to either the offer or sale of securities or commodities, the undersigned and applicant hereby certify that the applicant is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of each of those State(s) or such other person designated by law, and the successors in such office, attorney for the applicant in said State(s) upon whom may be served any notice, process, or pleading in any action or proceeding against the applicant arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of those State(s), and the applicant hereby consents that any such action or proceedings against the applicant may be commenced in any court of competent jurisdiction and proper venue within said State(s) by service of process upon said appointee with the same effect as if applicant were a resident in said State(s) and had lawfully been served with process in said State(s).

The applicant consents that service of any civil action brought by or notice of any proceeding before the Securities and Exchange Commission or any self-regulatory organization in connection with the applicant's broker-dealer activities, or of any application for a protective decree filed by the Securities Investor Protection Corporation, may be given by registered or certified mail or confirmed telegram to the applicant's contact employee at the main address, or mailing address if different, given in Item 1 G.

The undersigned, being first duly sworn, deposes and says that he has executed this form on behalf of and with the authority of said applicant. The undersigned and applicant represent that the information and statements contained herein including exhibits attached hereto and other information filed herewith, all of which are made a part hereof, are current, true, and complete. The undersigned and applicant further represent that to the extent any information previously submitted is not amended, such information is currently accurate and complete.

PATRICIA A. LaLIMA
Notary Public, State of New York
No. 4934881
Qualified in Queens County
Commission Expires June 20, 19 90

January 24, 1990 (Date) Stratton Oakmont Inc. (Name of Applicant)

By: Jordan R. Belfort President (Signature and Title)

Subscribed and sworn before me this 24 th day of January, 1990 by Patricia A. LaLima

My commission expires June 20, 1990 County of Queens State of New York

This page must always be completed in full with original, manual signatures and notarization.
To amend, circle item(s) being amended.

DO NOT WRITE BELOW THIS LINE....FOR OFFICIAL USE ONLY

To amend, circle question numbers amended and file with a completed Execution page (Page 1).

FORM BD Page 2

Applicant Name: Stratton Oakmont Inc.

Date: January 24, 1990 Firm CRD No.: 18692

OFFICIAL USE

2. To be registered with the following: (designate) "1" Initial Registration, "2" Pending, "3" Already Registered. If any license, registration or membership listed herein is of a restricted nature, explain fully on Schedule D.

[3] SECURITIES & EXCHANGE COMMISSION

SRO	ASE	BSE	CBOE	CSE	MSE	NASD	NYSE	PHLX	PSE	OTHER (Specify)
	[ ]	[ ]	[ ]	[ ]	[ ]	[3]	[ ]	[ ]	[ ]	[ ]

JURISDICTION	AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
	[1]	[ ]	[ ]	[1]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[1]	[ ]
	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
	[3]	[3]	[ ]	[3]	[1]	[3]	[ ]	[3]	[3]	[3]	[1]	[1]	[1]
	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
	[ ]	[1]	[3]	[1]	[3]	[1]	[3]	[3]	[ ]	[3]	[1]	[1]	[3]
	RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR
	[3]	[1]	[ ]	[ ]	[3]	[3]	[1]	[3]	[1]	[1]	[ ]	[ ]	[ ]

3. Date of formation 10/23/86 (MM/DD/YY). Applicant's fiscal year ends 09-30 (MM/DD). Place of filing New York for:

[X] Corporation - Complete Schedule A [ ] Partnership - Complete Schedule B [ ] Sole Proprietorship - Complete Schedule C

[ ] Other (specify) _____ Complete Schedule C

4. If applicant is a sole proprietor, state full residence address and social security number.

Social Security No.: _____

(Number and Street) (City) (State) (Zip Code)

5. Is applicant a successor to a registered broker-dealer? If "yes," explain on Schedule D. . . . . YES [ ] NO [X]

If "yes," state:

A. Date of Succession _____

B. Full name, IRS Empl. Ident. No., SEC File No. and Firm CRD No. of predecessor broker-dealer.

Name: _____

IRS Empl. Ident. No.: _____ Firm CRD No.: _____

SEC File Number: _____

6. A. Does any person not named in Item 1 or Schedules A, B or C, directly or indirectly through agreement or otherwise, exercise or have the power to exercise control over the management or policies of applicant? . . . . . YES [ ] NO [X] [1]

(If "yes," state on Schedule D the exact name of each person (if individual, state last, first, and middle names) and describe the agreement or other basis through which such person exercises or has the power to exercise control.)

B. Is the business of applicant wholly or partially financed, directly or indirectly, by any person not named in Item 1, or Schedules A, B or C, in any manner other than by: (1) a public offering of securities made pursuant to the Securities Act of 1933; (2) credit extended in the ordinary course of business by suppliers, banks and others; or a satisfactory subordination agreement, as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 (17 CFR §240.15c3-1)? YES [ ] NO [X] [2]

(If "yes," state on Schedule D the exact name (last, first, middle) of each person and describe the agreement or arrangement through which such financing is made available, including the amount thereof.)

To amend, circle question numbers amended and file with a completed Execution page (Page 1).

FORM BD Page 3 Applicant Name: OAKMONT SECURITIES INC. Date: MAR 2 9 1988 Firm CRD No.: 18692

OFFICIAL USE

7. *Definitions*

- Control affiliate – An individual or firm that directly or indirectly controls, is under common control with, or is controlled by the applicant. Included are any employees identified in Schedules A,B or C of this form as exercising control. Excluded are any employees who perform clerical, administrative, support or similar functions; or who, regardless of title, perform no executive duties or have no senior policy making authority.
- Investment or investment-related – Pertaining to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as or being associated with a broker-dealer, investment company, investment adviser, futures sponsor, bank, or savings and loan association).
- Involved – Doing an act or aiding, abetting, counseling, commanding, inducing, conspiring with or failing reasonably to supervise another in doing an act.

		YES	NO	
A. In the past ten years has the applicant or control affiliate been convicted of or pleaded guilty or nolo contendere ("no contest") to:				
(1) a felony or misdemeanor involving: investment or an investment-related business, fraud, false statements or omissions, wrongful taking of property, or bribery, forgery, counterfeiting or extortion?		☐	☒	3
(2) any other felony?		☐	☒	4
B. Has any court:				
(1) In the past ten years enjoined the applicant or a control affiliate in connection with any investment-related activity?		☐	☒	5
(2) ever found that the applicant or a control affiliate was involved in a violation of investment-related statutes or regulations?		☐	☒	6
C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:				
(1) found the applicant or a control affiliate to have made a false statement or omission?		☐	☒	7
(2) found the applicant or a control affiliate to have been involved in a violation of its regulations or statues?		☐	☒	8
(3) found the applicant or a control affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?		☐	☒	9
(4) entered an order denying, suspending or revoking the applicant's or a control affiliate's registration or otherwise disciplined it by restricting its activities?		☐	☒	10
D. Has any other Federal regulatory agency or any state regulatory agency:				
(1) ever found the applicant or a control affiliate to have made a false statement or omission or been dishonest unfair, or unethical?		☐	☒	11
(2) ever found the applicant or a control affiliate to have been involved in a violation of investment regulations or statutes?		☐	☒	12
(3) ever found the applicant or a control affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?		☐	☒	13
(4) in the past ten years entered an order against the applicant or a control affiliate in connection with investment-related activity?		☐	☒	14
(5) ever denied, suspended, or revoked the applicant's or a control affiliate's registration or license, prevented it from associating with an investment-related business, or otherwise disciplined it by restricting its activities?		☐	☒	15
(6) ever revoked or suspended the applicant's or a control affiliate's license as an attorney or accountant?		☐	☒	16

To amend, circle question numbers amended and file with a completed Execution page (Page 1).

FORM BD Page 4

Applicant Name: Stratton Oakmont Inc.

Date: October 31, 1989 Firm CRD No.: 18692

OFFICIAL USE

E. Has any self-regulatory organization or commodities exchange ever:

	YES	NO	
(1) found the applicant or a control affiliate to have made a false statement or omission?		X	17
(2) found the applicant or a control affiliate to have been involved in a violation of its rules?	X		18
(3) found the applicant or a control affiliate to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted?		X	19
(4) disciplined the applicant or a control affiliate by expelling or suspending it from membership, by barring or suspending its association with other members, or by otherwise restricting its activities?		X	20
F. Has any foreign government, court, regulatory agency, or exchange ever entered an order against the applicant or a control affiliate related to investments or fraud?		X	21
G. Is the applicant or a control affiliate now the subject of any proceeding that could result in a "yes" answer to parts A-F of this item?	X		22
H. Has a bonding company denied, paid out on, or revoked a bond for the applicant?		X	23
I. Does the applicant have any unsatisfied judgments or liens against it?		X	24
J. Has the applicant or a control affiliate of the applicant ever been a securities firm or a control affiliate of a securities firm that has been declared bankrupt, had a trustee appointed under the Securities Investor Protection Act, or had a direct payment procedure begun?		X	25

Item 7 Instructions

If a "yes" answer on Item 7 involves:

- the applicant broker-dealer, or an individual without a Form U-4 (individual registration) in the CRD, give the details on Schedule D.
- an individual with a Form U-4 (individual registration) in the CRD, attach any necessary Form U-4 amendments to the Form BD. The CRD will update the Forms U-4 and BD.

For each "yes" to Item 7, give the following details of any court or regulatory action:

- the broker-dealer and individuals named,
- the title and date of the action,
- the court or body taking the action, and
- a description of the action.

8. Does applicant:

	YES	NO	
A. Have any arrangement with any other person, firm or organization under which:			
(1) Any of the accounts or records of applicant are kept or maintained by such person, firm, or organization?	X		26
(2) Such other person, firm or organization (other than a bank or satisfactory control location as defined in paragraph (c) of Rule 15c3-3 under the Securities Exchange Act of 1934, 17 CFR §240.15c3-3) holds or maintains funds or securities of applicant or of any of its customers?	X		27
B. Have any arrangements with any other broker or dealer under which applicant refers or introduces customers to such other broker or dealer?	X		28

(If the answer to any question of Item 8 is "yes," furnish as to each such arrangement the full name and principal business address of the other person, firm, or organization, and the summary of each such arrangement on Schedule D.)

	YES	NO	
9. Does applicant control, is applicant controlled by, or is applicant under common control with, directly or indirectly, any partnership, corporation, or other organization engaged in the securities or investment advisory business?		X	29

(If "yes," state full name and principal business address of such partnership, corporation, or other organization and describe the nature of control on Schedule D. See instructions for definition of control.)

To amend, circle question numbers amended and file with a completed Execution page (Page 1).

FORM BD Page 5 Applicant Name: Oakmont Securities Inc.

Date: June 14, 1988 Firm CRD No.: 18692

OFFICIAL USE

10. Check types of business engaged in (or to be engaged in, if not yet active) by applicant. Do not check any category which accounts for or is expected to account for less than 10% of annual revenue from the securities or investment advisory business.

A.	Exchange member engaged in exchange commission business	☐ EMC
B.	Exchange member engaged in floor activities	☐ EMF
C.	Broker or dealer making inter-dealer markets in corporate securities over-the-counter	☒ IDM
D.	Broker or dealer retailing corporate securities over-the-counter	☒ BDR
E.	Underwriter or selling group participant (corporate securities other than mutual funds)	☒ USG
F.	Mutual fund underwriter or sponsor	☐ MFU
G.	Mutual fund retailer	☒ MFR
H.	1. U.S. government securities dealer	☐ GSD
	2. U.S. government securities broker	☐ GSB
I.	Municipal securities dealer	☐ MSD
J.	Municipal securities broker	☐ MSB
K.	Broker or dealer selling variable life insurance or annuities	☐ VLA
L.	Solicitor of savings and loan accounts	☐ SSL
M.	Real estate syndicator	☐ RES
N.	Broker or dealer selling oil and gas interests	☐ OGI
O.	Put and call broker or dealer or option writer	☒ PCB
P.	Broker or dealer selling securities of only one issuer or associated issuers (other than mutual funds)	☐ BIA
Q.	Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)	☐ NPB
R.	Investment advisory services	☐ IAD
S.	Broker or dealer selling tax shelters or limited partnerships	☐ TAP
T.	Other (give details on Schedule D)	☐ OTH

		YES	NO	
11.A.	Does applicant effect transactions in commodity futures, commodities or commodity options as a broker for others or dealer for its own account?	☐	☒	30
B.	Does applicant engage in any other non-securities business? (If "yes," describe each other business briefly on Schedule D.)	☐	☒	31
12.	Is applicant applying for or continuing an existing registration solely as a government securities broker or dealer?	☐	☒	32
13.	Notice of Government Securities Activities			
A.	Is applicant acting or intending to act as a government securities broker or dealer in addition to other broker-dealer activities? (Do not answer "YES" if applicant answered "yes" to Question 12.)	☐	☒	33
B.	Is applicant ceasing its activities as a government securities broker or dealer? (Do not answer "YES" unless previously answered "yes" to Question 13A.)	☐	☒	34

To amend, complete the schedule in full in accordance with the instructions below and file with a completed Execution page (Page 1).

Schedule A of FORM BD

(revised 4/87)

FOR CORPORATIONS

OFFICIAL USE

Applicant Name Stratton Oakmont Inc.

(Answers in response to ITEM 3 of FORM BD) Date: October 31, 1989 Firm CRD No.: 18692

1. This form requests information on the owners and executive officers of the applicant.
2. Please complete for:
   A. each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer, director, and individuals with similar status or functions, and
   B. every person who is directly, or indirectly through intermediaries, the beneficial owner of 5% or more of any class of equity security of the applicant.
3. If a person covered by 2(B) above owns applicant indirectly through intermediaries, list all intermediaries and below them, if they are not public reporting companies under Sections 12 or 15(d) of the Securities Exchange Act of 1934 but are:
   A. **corporations**, give their shareholders who own 5% or more of a class of equity security, or
   B. **partnerships**, give their general partners or any limited special partners who have contributed 5% or more of the partnership's capital.
4. If the intermediary's shareholders or partners listed under 3 above are not individuals, continue up the chain of ownership listing their 5% shareholders, general partners, and 5% limited or special partners until individuals are listed.
5. Ownership codes are: NA - 0 up to 5% B - 10% up to 25% D - 50% up to 75%
   A - 5% up to 10% C - 25% up to 50% E - 75% up to 100%
6. Asterisk (*) names reporting a change in title, status, stock ownership, partnership interest, or control. Double asterisk (**) names new on this filing.
7. Check "Control Person" column if person has "control" as defined in the instructions to this form.
8. Applicants indicating an options business in Item 10 must enter "SROP" for their Senior Registered Options Principal and "CROP" for their Compliance Registered Options Principal in the "Title or Status" column.

FULL NAME Last First Middle	Beginning Date Mo.	Beginning Date Yr.	Title or Status	Ownership Code	Control Person	CRD Number or, if none, Social Security Number	Official Use Only
** RMS Network, Inc.	10	89	1	E	X		01
** Belfort, Jordan R.	10	89	Director& President	D	X	1736122	02
** Greene, Kenneth S.	10	89	Director& Secretary	B	X	1817872	03
** Hanna, Mark A.	10	89	Director & V.P.	B	X	1411777	04
** Porush, Daniel M.	10	89	Director & V.P.	A	X	1908854	05
** Valenoti, Michael A.	10	89	COO,"CROP"	N/A	X	452200	06
* Tiffert, Mathias V.	6	88	CFO,"SROP"	N/A	X	446890	07
							08
1-RMS Network, Inc. owns 100% of Stratton Oakmont Inc., the ownership of							09
Belfort, Greene, Hanna and Porush is indirect via their 100% ownership of							10
RMS Network, Inc.							11
							12

List below the names reported in the most recent previous filing under this item that are being deleted:

FULL NAME Last First Middle	Ending Date Mo.	Ending Date Yr.	CRD Number or, if none, Social Security Number
	10	89	
	10	89	
	10	89	

When amending Form BD, provide complete detail for the item(s) being amended. File with a completed Execution page (Page 1).

OFFICIAL USE

Schedule D of FORM BD

(revised 4/87)

Applicant Name: Stratton Oakmont Inc.

Date: October 31, 1989 Firm CRD No.: 18692

(Use this Schedule to report details of affirmative responses to questions on Form BD.)

Item of Form (Identify)	Answer
8A (1) 8A (2) & 8B	Applicant has entered into a clearing agreement with Ameritrade, Inc. to act as its clearing agent to clear all of the applicants transactions on a fully disclosed basis. Ameritrade, Inc. is located at 119 South 19th Street, Omaha, NE. 68102.
7E (2)	In September 1987, the NASD alleged a violation by the firm of Hamilton, Grant & Company, Inc. ("HGNT") and its financial principal, Mathias V. Tiffert ("MVT") of Article III, Section 1 of the NASD's Rules of Fair Practice, in connection with a June 1987 "best efforts" underwriting. So as to avoid prolonged and costly proceedings, HGNT and MVT agreed to follow the NASD's Acceptance, Waiver and Consent ("AWC") Procedure whereby both HGNT and MVT, without admitting or denying the allegations, executed an AWC letter consenting to the findings and the imposition of censures and a $1,500 fine, (jointly and severally), as a final settlement of this matter.
7G	In connection with the extraordinary stock market decline of October 17, 1987 two former clients of Mark A. Hanna have filed complaints against both his former employer L.F. Rothschild & Co. Incorporated and himself (NASD complaints #88-0745 and #88-03858). Both clients alleged losses resulting from improper handling of their margin accounts during that steep market decline. Negotiations, in process, indicate that the total ultimate liability, if any, to Rothschild/Hanna on these matters would not exceed $12,000.

Schedule E of FORM BD

(revised 4/87)

Applicant Name: Oakmont Securities Inc.

Date: June 26, 1989 Firm CRD No.: 18692

INSTRUCTIONS FOR SCHEDULE E: Initial filings must report all business locations other than the main office. Amendments must include only those branch offices to be added or amended. Complete addresses, including zip code, are to be listed at all times.

Use the following codes in the Nature of Change Column:

To request registration of a new branch office, enter "A".

To report a branch office closing, enter "B".

To report a change of address list the old address immediately followed by the new address; enter "C" next to the old address and "D" next to the new address.

To report a change in supervisor, enter "S".

Place one asterisk (*) under the OSJ column to report designation of a branch as an office of supervisory jurisdiction.

Place a double asterisk (**) under the OSJ column to eliminate designation of a branch as an office of supervisory jurisdiction.

Complete Address of Branch Office	Name and CRD No. of Supervisor	OSJ	Nature of Change	Effective Date
2001 Marcus Avenue Room N216 Lake Success, NY 11042	Jordan R. Belfort CRD# 1736122	*	A	6/26/89

State of Mississippi

Office of the Secretary of State

Dick Molpus, Secretary of State

Jackson, Mississippi

I, Dick Molpus, Secretary of State of the State of Mississippi, and as such the legal custodian of records of registration of securities offered in the State of Mississippi, required by the laws of Mississippi to be filed in my office, do hereby certify that I have made a diligent search in my office for the record and copy of:

any applications or registrations for the securities of Meyerson (M.H.) & Co., Inc.

and there cannot be found therein, or on file in my office, any paper or record relating to any such filings.

Given under my hand and Seal of Office this the

14th day of August, 1995

SECRETARY OF STATE * OFFICIAL * STATE OF MISSISSIPPI

Dick Molpus

EXHIBIT B

SOS-1 3/1/93

State of Mississippi

Office of the Secretary of State

Dick Molpus, Secretary of State

Jackson, Mississippi

I, Dick Molpus, Secretary of State of the State of Mississippi, and as such the legal custodian of records of registration of securities offered in the State of Mississippi, required by the laws of Mississippi to be filed in my office, do hereby certify that I have made a diligent search in my office for the record and copy of:

any applications or registrations for the securities of Octagon Inc.

and there cannot be found therein, or on file in my office, any paper or record relating to any such filings.

Given under my hand and Seal of Office this the

14th day of August, 1995

EXHIBIT C

State of Mississippi

Office of the Secretary of State

Dick Molpus, Secretary of State

Jackson, Mississippi

I, Dick Molpus, Secretary of State of the State of Mississippi, and as such the legal custodian of records of registration of securities offered in the State of Mississippi, required by the laws of Mississippi to be filed in my office, do hereby certify that I have made a diligent search in my office for the record and copy of:

any applications or registrations for
the securities of Madden (Steven) LTD.

and there cannot be found therein, or on file in my office, any paper or record relating to any such filings.

Given under my hand and Seal of Office this the

14th day of August, 1995

EXHIBIT D

State of Mississippi

Office of the Secretary of State

Dick Molpus, Secretary of State

Jackson, Mississippi

I, Dick Molpus, Secretary of State of the State of Mississippi, and as such the legal custodian of records of registration of securities offered in the State of Mississippi, required by the laws of Mississippi to be filed in my office, do hereby certify that I have made a diligent search in my office for the record and copy of:

> any applications or registrations for the securities of Select Media Communications, Inc.

and there cannot be found therein, or on file in my office, any paper or record relating to any such filings.

Given under my hand and Seal of Office this the

14th day of August, 1995

EXHIBIT E

State of Mississippi

Office of the Secretary of State

Dick Molpus, Secretary of State

Jackson, Mississippi

I, Dick Molpus, Secretary of State of the State of Mississippi, and as such the legal custodian of records of registration of securities offered in the State of Mississippi, required by the laws of Mississippi to be filed in my office, do hereby certify that I have made a diligent search in my office for the record and copy of:

> any applications or registrations for the securities of Solomon-Page Group, Ltd.

and there cannot be found therein, or on file in my office, any paper or record relating to any such filings.

Given under my hand and Seal of Office this the

14th day of August, 1995

EXHIBIT F