

IRVING L. FAUGHT
ADMINISTRATOR



MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES

MEMORANDUM

To: Irving L. Faught, Administrator
From: Carol Gruis, Director of Examinations
Date: January 19, 2016
Re: EXAMINATION REPORT

Attached hereto please find the report of the on-site examinations for the months ended November 30, 2015 and December 31, 2015.

Examinations Division
For The Period
November 1, 2015 to December 31, 2016

On-Site Exams Started	BD	IA	Combined
Total Exams Started	0	3	3
On-Site Exams Completed	BD	IA	Combined
Started and Completed During The Current Period	0	1	1
Started In A Prior Period and Completed During The Current Period	1	3	4
Referred to Enforcement Division	0	0	0
Total Exams Completed	<u>1</u>	<u>4</u>	<u>5</u>
On-Site Exams Still Open	BD	IA	Combined
Started During The Current Period	0	2	2
Started During A Prior Period	4	9	13
Total Still Open	<u>4</u>	<u>11</u>	<u>15</u>
	BD	IA	Combined
% of registrants examined during current period	0%	0.35%	0.35%
% of registrants against whom final action was taken during current period	0%	0.35%	0.35%
% of registrants examined against whom final action was taken during current period	0%	100%	100%

NonBranch Sales Office Exam Questionnaires

Total Reviewed **0**

On-Site Exam Aging

Days	Still Open	Completed
0-30	0	1
31-60	0	1
61-90	0	0
Over 90	15	3
Totals	15	5

Examinations Division
For The Period
November 1, 2015 to December 31, 2016

2 On-Site Exams Started but not Completed During Period

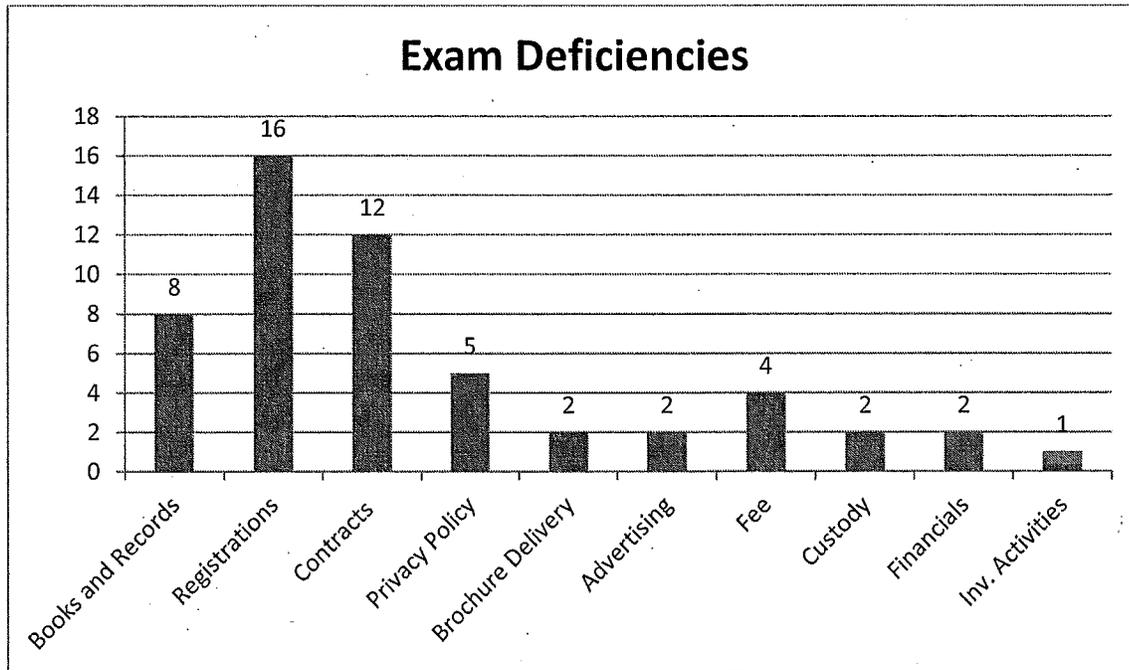
IA/BD	Firm Name	Date Started
IA	MARK I ASSET MANAGEMENT, LTD.	11/9/2015
IA	SERVO PORTFOLIO MANAGEMENT LLC	11/16/2015

5 On-Site Exams Completed During Period

IA/BD	Firm Name	Date Started	Date Completed
IA	C C INVESTMENT ADVISORS, INC. 8101 N. W. 10th, Suite B OKLAHOMA CITY, OK	10/27/2015	11/13/2015
IA	FINANCIAL SECURITY INVESTMENT MANAGEMENT CORPORATION 4111 South Darlington, Suite 1190, Southland Tower TULSA, OK	11/21/2013	11/13/2015
IA	UTICA PHYSICIANS' ASSOCIATION, LTD. 6840 South Trenton Avenue TULSA, OK	5/7/2014	11/30/2015
BD	RAYMOND JAMES FINANCIAL SERVICES 101 EAST MAIN STREET ADA, OK	10/14/2014	12/16/2015
IA	CENTRAL CITY ENTERPRISES, LLC 3024 Hackberry Road OKLAHOMA CITY, OK	11/3/2015	12/17/2015

* Referred to Enforcement

Examination Deficiencies
July 1, 2015 through December 31, 2015



The findings represent 15 examinations completed from July 1, 2015 through December 31, 2015.

Books and Records Deficiencies

- Lack of suitability documentation (2)
- Missing client contracts (3)
- Inadequate written supervisory procedures/compliance manual (3)

Registrations Deficiencies on Form ADV

- Inconsistencies between Part 1 and Part 2 (4)
- Fee structure (2)
- Services provided (3)
- Timely filing of amendments (3)
- Not disclosing affiliations (2)
- Incorrect amount of assets under management (1)
- Discretion (1)

Contract Deficiencies

- Fees not disclosed (2)
- Fee formula not explained (5)
- Contract includes a hedge clause (1)
- Offering a service not disclosed (Financial Planning) (1)
- No provision for refund of pre-paid fees (2)
- Not including a 48 hour rescission clause (1)

Examination Deficiencies
July 1, 2015 through December 31, 2015

Privacy Policy Deficiencies

- Annual delivery not made (1)
- Initial delivery not made (1)
- Inadequate policy (no opt out clause) (3)

Brochure Delivery Deficiencies

- Annual offering not made (2)

Advertising Deficiencies

- Misuse of "RIA" or "IAR" (1)
- Services misrepresented (1)

Fee Deficiencies

- Fees charged differ from contract or ADV (3)
- Charging undisclosed fees (1)

Custody Deficiencies

- Direct fee deduction (2)

Financial Deficiencies

- Errors on financial statements (2)

Investment Activities Deficiencies

- Unauthorized discretion (1)