

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA



In the Matter of:

Rodney Larry Watkins, Jr. (CRD #3091936);  
Southeast Investments, N.C. Inc. (CRD #43035); and  
Frank H. Black (CRD #22451);

Respondents.

ODS File No. 12-058

**AGREEMENT OF RESPONDENT**  
**RODNEY LARRY WATKINS, JR.**

**THIS AGREEMENT** is entered into between Rodney Larry Watkins, Jr. (“Watkins”) and the Administrator (“Administrator”) of the Oklahoma Department of Securities (“Department”) as of the Effective Date set forth below.

Pursuant to the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), and the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, Okla. Admin. Code §§ 660:1-1-1 through 660:25-7-1 (“Oklahoma Rules”), the Department conducted an investigation into certain activities of Watkins, Southeast Investments, N.C. Inc. (“Southeast”), and Frank H. Black (“Black”) (collectively “Respondents”) in connection with the offer and/or sale of securities in and/or from Oklahoma.

As a result of the investigation, the Enforcement Division of the Department (“Enforcement Division”) recommended that the Administrator sanction Respondents (“Recommendation”).

On March 29, 2013 the Administrator issued a Notice of Opportunity for Hearing (“Notice”) allowing Respondents twenty (20) days after service of the Notice to request a hearing on the Recommendation. On April 15, 2013, Watkins filed a Request for Hearing with the Administrator.

Watkins desires to expeditiously settle this matter prior to a hearing and without the adjudication of any issue of law or fact. Watkins voluntarily waives his right to a hearing provided by the Act, the Oklahoma Rules, and the Oklahoma Administrative Procedures Act.

**NOW THEREFORE**, the undersigned parties hereto agree as follows:

**1. Independent Compliance Consultant**

- A. Watkins shall retain, within thirty (30) days of the Effective Date of this Agreement, at his expense or the expense of his affiliated broker-dealer and/or investment adviser, an Independent Compliance Consultant acceptable to the Administrator, to perform monthly reviews of the activities of Respondent Watkins for a period of three (3) years. Watkins shall require the Independent Compliance Consultant to also perform quarterly on-site inspections, that shall be comparable to a branch office audit, of activities of Watkins for a period of three (3) years. The Independent Compliance Consultant shall have access to all files, books, and records of Watkins, and personnel associated with Watkins. Watkins shall cooperate fully with the Independent Compliance Consultant.
- B. In connection with each on-site inspection, Watkins shall require the Independent Compliance Consultant to review all broker-dealer agent and investment adviser representative activities and services performed by Watkins and any other broker-dealer agent and or investment adviser representative affiliated or associated with Watkins.
- C. In connection with each on-site inspection, Watkins shall require the Independent Compliance Consultant to evaluate Watkins' compliance with the existing policies, procedures, and internal controls of Watkins' affiliated broker-dealer and/or investment adviser. Watkins shall require the Independent Compliance Consultant to immediately report to the Administrator any deficiencies in the policies, procedures, and internal control of Watkins' affiliated broker-dealer and/or investment adviser.
- D. At the conclusion of each calendar quarter, Watkins shall require the Independent Compliance Consultant to send a report to himself and his affiliated broker-dealer and/or investment adviser. Watkins shall require the Independent Compliance Consultant send a report to the Administrator on an annual basis within 30 days of the Effective Date of this Agreement.
- E. Watkins shall adopt all recommendations made by the Independent Compliance Consultant. Watkins shall require the Independent Compliance Consultant as part of their monthly reviews and quarterly on-site inspections to evaluate his subsequent compliance with such recommendations.

**2. Discretionary Authority**

Watkins shall not be allowed to exercise discretionary authority in any broker-dealer or investment adviser client account for a period of five (5) years.

**3. CRD Amendments**

- A. Watkins, within five (5) days of the Effective Date of this Agreement, shall update his Form U-4 by causing an amendment to be filed by Southeast on the Central Registration Depository (CRD) System disclosing his current office location, residential address, accurate reflections of all outside business activities, and this action by the Department.
- B. Watkins shall cause an amendment to be filed to accurately reflect any future changes of previously reported answers within ten (10) days of the change.

**4. Previous Order**

Compliance with the terms of this Agreement shall be considered compliance with the August 29, 2012 Order of the Administrator relating to the requirements for the heightened supervision of Respondent Watkins.

**5. Watkins' Registration**

Upon the Effective Date of this Agreement, Watkins' pending registration as an agent of Southeast shall be made effective.

**6. Entire Agreement; Amendment**

This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

**7. Failure to Comply**

Should Watkins fail to comply with the terms of this Agreement in any material respect or if Watkins has made any false or misleading statements to the Department in connection with this matter, the Department may initiate an action as authorized by the Act.

**8. Limitation on Agreement**

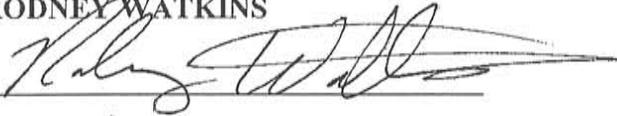
Nothing in this Agreement shall prohibit the Administrator from conducting future examinations of any office of Watkins. Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Watkins, the Administrator may assist in such actions as authorized by law.

9. **Effective Date**

This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

**RODNEY WATKINS**



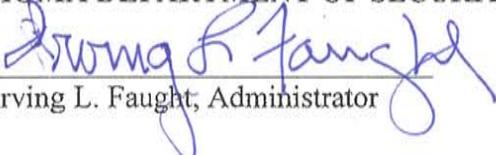
Date: April 30, 2014

Address: 46 East 16<sup>th</sup> Street

Tulsa, Oklahoma 74119

**OKLAHOMA DEPARTMENT OF SECURITIES**

By:

  
Irving L. Faught, Administrator

Date: April 30, 2014