

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER
120 NORTH ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of: Geary Securities, Inc., fka Capital West Securities, Inc.;
Keith D. Geary; Norman Frager; and CEMP, LLC,

Respondents.

ODS File No. 09-141

PETITION OF APPEAL

COMES NOW the Respondent, Norman Frager (“Frager”), and, pursuant to Rule 660:1-5-1 of the Rules of the Oklahoma Department of Securities and the Administrator of the Department of Securities (the “Oklahoma Rules”), respectfully submits the instant Petition of Appeal. In support hereof, Frager shows as follows:

1. On November 1, 2011, the Oklahoma Department of Securities (the “Department”) filed a Motion for Summary Decision against Frager. In this Motion for Summary Decision, the Department sought determinations that Frager had violated Oklahoma Rule 660:11-5-17, which incorporates by reference Rule 15c3-1 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “SEC Net Capital Rule”). In particular, the Department argued that Geary Securities, Inc. (“Geary Securities”) had failed to maintain its required net capital as determined by the SEC Net Capital Rule during certain dates in May 2009 and February 2010.

2. The Department’s Motion for Summary Decision was denied by the Hearing Officer by an order dated May 16, 2012.

3. On May 31, 2012, the Department filed a Motion for Reconsideration on Motion for Summary Decision (the “Motion for Reconsideration”). The Motion for Reconsideration

sought reconsideration of the Hearing Officer's ruling on the Motion for Summary Decision only insofar as it related to the violations of the SEC Net Capital Rule in February 2010.

4. Subsequently, on July 31, 2012, Frager filed his combined response to the Motion for Reconsideration and his own Cross-Motion for Summary Decision whereby he asked for a ruling in his favor on the claims relating to violation of the SEC Net Capital Rule in February 2010.

5. On Monday, September 17, 2012, the Hearing Officer entered an order granting the Department's Motion for Reconsideration and denying Frager's Cross-Motion (the "Hearing Officer's Order").

6. On October 5, 2012, the Administrator entered an Order to Frager to Cease and Desist (the "Final Order") based on the Hearing Officer's Order. In the Final Order, the Administrator adopted the findings of fact and conclusions of law contained in the Hearing Officer's Order and ordered that Frager cease and desist from further violations of the Oklahoma Rules.

7. Frager hereby appeals the Final Order. As will be shown in the further briefing of this matter, the Hearing Officer and Administrator erred when he determined that under the Net Capital Rule, Geary Securities was subject to a \$250,000.00 net capital requirement in February 2010, instead of a \$100,000.00 net capital requirement. Furthermore, the Administrator erred by not considering arguments raised by Frager in his Motion to Dismiss, and discounted by the Hearing Officer, that Oklahoma Rule 660:11-5-17 was an unconstitutional delegation of authority and that the Department lacked jurisdiction to interpret the SEC Net Capital Rule

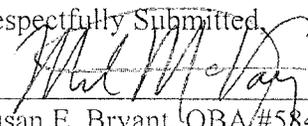
8. Frager hereby requests that the Department compile the record on appeal in accordance with the requirements of Oklahoma Rule 660:1-5-1(b) and (c).

9. Frager further agrees to pay for the preparation of the record on appeal.

10. The instant appeal is timely as it was filed within fifteen (15) days of the date the Final Order was entered.

WHEREFORE, Frager hereby requests that (1) the Administrator of the Department submit this Petition of Appeal to the Oklahoma Securities Commission (the "Commission"); (2) that the Department compile the record on appeal pursuant to Oklahoma Rule 660:1-5-1; (3) following completion of the record on appeal, that the Administrator submit the record on appeal to the Commission and set a briefing schedule for this appeal; and (4) that this appeal be set before the Commission for hearing.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on October 9, 2012, a copy of the foregoing document was served on the following via electronic mail:

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A handwritten signature in cursive script, appearing to read "Mel M. Kelly", is written over a horizontal line.