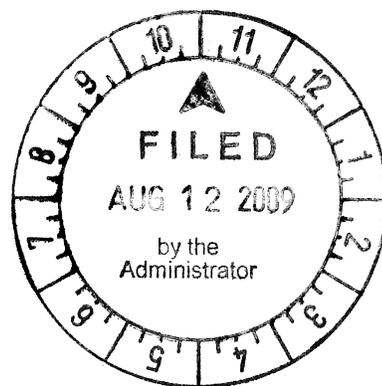


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

James Scott Stanley
CRD #722614,

Respondent.

ODS File No. 08-056

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

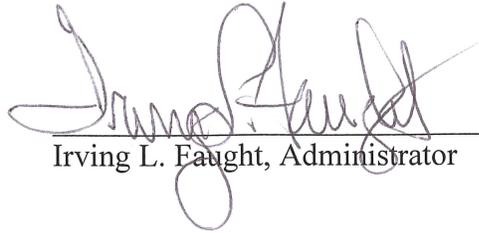
The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (Department).
2. That a copy of the *Notice of Opportunity for Hearing* (Notice) with *Enforcement Division Recommendation* (Recommendation) attached was delivered to Affiant in the office of the Administrator of the Department (Administrator) pursuant to Section 1-611 of the Oklahoma Uniform Securities Act (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).
3. That the Administrator has received service of process on behalf of James Scott Stanley (Stanley) pursuant to Section 1-611 of the Act.
4. That a copy of the Notice, with the Recommendation attached, and a copy of this *Notice of Service on the Administrator and Affidavit of Compliance* are being sent this 12th day of August, 2009, by certified mail, return receipt requested, delivery restricted to addressee, to the last known address of Stanley, in compliance with Section 1-611 of the Act.
5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 12th day of August, 2009.

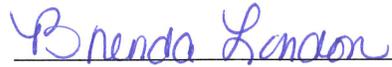
(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 12th day of August, 2009.

SEAL




Brenda London
Notary Public

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



In the Matter of:

James Scott Stanley
CRD #722614,

Respondent.

ODS File No. 08-056

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of James Scott Stanley (Stanley), in connection with his registration as an agent of a broker-dealer.

2. On the 11th day of August, 2009, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 1-411(G) of the Act, the Administrator hereby gives notice to Respondent of his right to request a hearing to show why an order based on the Recommendation should not be issued.

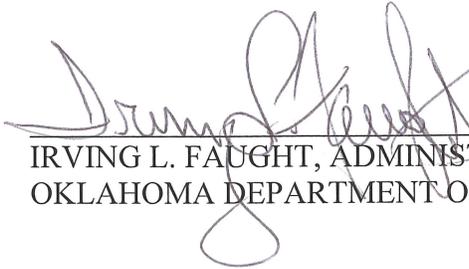
4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Failure to request a hearing as provided for herein shall result in the issuance of an order barring Stanley from association with a broker-dealer or investment adviser in any capacity.

5. The request for hearing shall be in writing and Respondent shall specifically admit or deny each allegation in said request as required by 660:2-9-2(a) of the Rules.

6. Notice of the date, time and location of the hearing shall be given to Respondent not less than forty-five (45) days in advance thereof pursuant to 660:2-9-2(c) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities
this 12th day of August, 2009.

(SEAL)

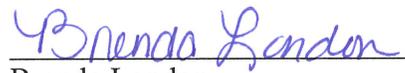


IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

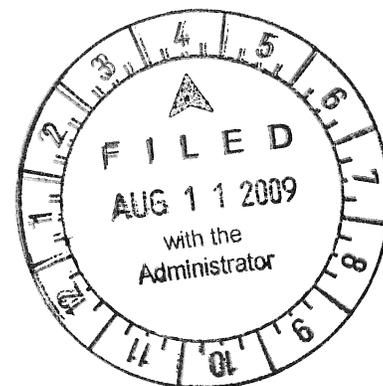
The undersigned hereby certifies that on the 12th day of August, 2009 a true and correct copy of the above and foregoing *Notice of Opportunity for Hearing* and attached *Enforcement Division Recommendation* was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

James Scott Stanley
3017 Browne Stone
Oklahoma City, OK 73120



Brenda London
Paralegal

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



In the Matter of:

James Scott Stanley
CRD #722614,

Respondent.

ODS File No. 08-056

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), an investigation was conducted by the Oklahoma Department of Securities (Department) into the activities of James Scott Stanley (Stanley) in connection with the offer and/or sale of securities in and/or from Oklahoma. Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator of the Department (Administrator) in support of sanctions against Stanley.

Findings of Fact

1. Stanley, an Oklahoma resident, was first registered as an agent under the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), in 1989. His most recent registration under the Act terminated on June 7, 2007.
2. Stanley was registered with Walnut Street Securities, Inc. (Walnut Street), from January 2003 to May 2005.
3. Stanley was registered with another broker-dealer, Dominion Investor Services, Inc. (Dominion), from November 2006 until June 2007.
4. Stanley attempted to register as an agent of Brokers International Financial Services, LLC, in April of 2008; however, the registration was never made effective.

Examinations Findings

5. A routine examination of a Dominion branch office in Oklahoma City was conducted by the Department on June 5 and 6, 2007. Stanley worked in this branch office.

6. During the examination, the following violations were noted by the Department:

- a. Stanley failed to forward his electronic correspondence to Dominion for review and approval;
- b. Stanley failed to follow Dominion's written supervisory procedures by using his personal electronic mailing address for business purposes; and
- c. Stanley sold three equity indexed annuities that he failed to effect through Dominion.

7. The day after the examination, Stanley was permitted to resign from Dominion after he disclosed that he had done business not routed through Dominion and had email correspondence that had not been forwarded to Dominion for review and approval.

Disciplinary History

8. Stanley received a reprimand from the State Securities Board of Texas on May 18, 1996, for failing to disclose his personal bankruptcy on his Form U-4.

9. Stanley entered into an agreement with the Department on August 13, 2004 (2004 Agreement). See Exhibit A attached hereto. The 2004 Agreement was based on the Department's allegations that Stanley offered and sold unregistered securities in and/or from the state of Oklahoma to investors ("Investors"), in violation of Section 301 of the Predecessor Act. The Department further alleged that Stanley did not register to transact business in this state as an issuer agent, in violation of Section 201 of the Predecessor Act. Finally, the Department alleged that Stanley, in connection with the offer, sale or purchase of securities, made untrue statements of material fact, omitted to state material facts, and engaged in an act, practice, or course of business that operated as a fraud or deceit upon Investors, in violation of Section 101 of the Predecessor Act. As a part of the 2004 Agreement, Stanley expressly agreed to limit the products he was able to sell to products sold solely through the broker-dealer for whom he was licensed as an agent and he agreed to attend additional training (Selling Away Prohibition).

10. In the 2004 Agreement, Stanley agreed to the revocation of his registration as an agent upon a finding by the Administrator of a substantial violation of the agreement including the Selling Away Prohibition.

11. In May of 2005, Stanley's registration as an agent of Walnut Street was terminated after the firm received a complaint alleging that the customer signature on an account application was not that of the customer. Walnut Street did not reach a conclusion on the authenticity of the signature but was no longer willing to supervise Stanley.

Subsequent Issues

12. Stanley did not disclose the 2004 Agreement on his Form U-4.

13. Stanley violated the Selling Away Prohibition by not effecting the three equity indexed annuity transactions described in paragraph 6 above through Dominion.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authority

1. Section 1-102 of the Act provides in pertinent part:

2. "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. A partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act[.]

2. Subsection (b) of Rule 660:11-5-42 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules) provides in pertinent part:

(1) A broker-dealer and his agents, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade. A broker-dealer and his agents shall not violate any federal securities statute or rule or any rule of a national securities exchange or national securities association of which it is a member with respect to any customer, transaction or business effected in this state[.]

3. NASD Conduct Rule 3030 provides:

No person associated with a member in any registered capacity shall be employed by, or accept compensation from, any other person as a result of any business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to the member. Such notice shall be in the form required by the member. Activities subject to the requirements of Rule 3040 shall be exempted from this requirement.

4. NASD Conduct Rule 3040 provides in pertinent part:

(b) Written Notice

Prior to participating in any private securities transaction, an associated person shall provide written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction; provided however that, in the case of a series of related transactions in which no selling compensation has been or will be received, an associated person may provide a single written notice.

5. Section 1-411 of the Act provides in pertinent part:

A. If the Administrator finds that the order is in the public interest and subsection D of this section authorizes the action, an order issued under this act may deny an application, or may condition or limit registration:

1. Of an applicant to be a broker-dealer, agent, investment adviser, or investment adviser representative[.]

* * *

B. If the Administrator finds that the order issued is in the public interest and subsection D of this section authorizes the action an order issued under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, any partner, officer, or director, any person having a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser.

* * *

C. If the Administrator finds that the order is in the public interest and paragraphs 1 through 6, 8, 9, 10, 12 or 13 of subsection D of this section authorizes the action, an order under this act may censure, impose a bar, impose a civil penalty in an amount not to exceed a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or Two Hundred Fifty Thousand Dollars (\$250,000.00) for multiple violations on a registrant, and or recover the costs of the investigation from a registrant and if the registrant is a broker-dealer or investment adviser, from any partner, officer, or director, any person having a similar function or any person directly or indirectly controlling the broker-dealer or investment adviser.

D. A person may be disciplined under subsections A through C of this section if the person:

* * *

2. Has willfully violated or willfully failed to comply with this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act within the previous ten (10) years[.]

Conclusions of Law

1. After being disciplined for the same activity, Stanley engaged in “selling away” while employed as an agent of Dominion, in violation of NASD Conduct Rules 3030 and 3040 and 660:11-5-42 of the Rules.

2. The Administrator is authorized by Section 1-411 of the Act to impose a bar against Stanley, if in the public interest.

3. It is in the public interest to impose a bar against Stanley.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact they should be so considered.

WHEREFORE, it is recommended that the Administrator impose a bar against Stanley.

Dated this 11th day of August, 2009.

Respectfully submitted,



Jennifer Shaw
Amanda Cornmesser
Enforcement Attorney
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700