

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



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

**ORDER DENYING RESPONDENTS' MOTION FOR RECUSAL OF ADMINISTRATOR  
AND FOR APPOINTMENT OF NEUTRAL HEARING OFFICER**

This matter having come before the Administrator on *Respondents' Motion for Recusal of Administrator and for Appointment of Neutral Hearing Officer*, and the Administrator having considered said motion, and further the *Department's Response to Respondents' Motion for Recusal of Administrator and for Appointment of Neutral Hearing Officer*, hereby enters the following order:

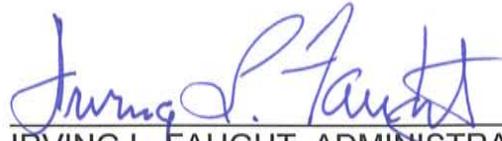
The Respondents have sought recusal of the Administrator as Hearing Officer based upon perceived bias of the Administrator that they believe is due to *ex parte* communications with the Department attorneys prosecuting the matter. Respondents describe incidents that primarily deal with scheduling and other procedural aspects of the case. The Department asserts that there have been no communications between the Administrator and counsel for the Department about the factual merits of this case. Respondents do not recite any facts that contradict that assertion nor do they recite any facts that evidence bias on the part of the Administrator as to the factual merits.

Respondents rely on *Arbuckle Simpson Aquifer Protection Federation of Oklahoma v. The Oklahoma Water Resources Board*, 2013 OK 29 (April 23, 2013), as support for their motion. In *Arbuckle*, the Defendants also alleged bias due to *ex parte* communications and the resulting appearance of impropriety. Despite the unsolicited receipt of communications as to the facts of the matter, the Court did not hold that the hearing officer failed to provide a fair and impartial hearing. It opined that the proper course of action to avoid even the appearance of impropriety would be for the hearing officer to provide notice to all parties of the communications, and to add any appropriate information she received to the record along with responses, if any, from the other interested parties. Here Respondents have requested and the Department has provided a listing of communications concerning this matter between the Administrator and the Department attorneys prosecuting the matter.

**IT IS HEREBY ORDERED** *Respondents' Motion for Recusal of Administrator and for Appointment of Neutral Hearing Officer* is hereby **DENIED**.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 6<sup>th</sup> day of August, 2014.

(SEAL)



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

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 6<sup>th</sup> day of August, 2014, true and correct copies of the above and foregoing *Order Denying Respondents' Motion for Recusal of Administrator and for Appointment of Neutral Hearing Officer* were sent in the following manner to the specified individuals:

By electronic mail and mailed with postage prepaid thereon, addressed to:

Patrick O Waddel, OBA #9254  
1700 Williams Center Tower  
One W 3rd St  
Tulsa OK 74103-3522  
pwaddel@sneedlang.com  
**Attorney for Respondents**

By electronic mail to:

Jennifer Shaw, OBA #20839  
Amanda Cornmesser, OBA #20044  
Oklahoma Department of Securities  
120 North Robinson Ste. 860  
Oklahoma City OK 73102  
jshaw@securities.ok.gov  
acornmesser@securities.ok.gov  
**Attorneys for the Department**

  
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Brenda London, Paralegal

## Brenda London

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**From:** Brenda London  
**Sent:** Wednesday, August 06, 2014 4:30 PM  
**To:** pwaddel@sneedlang.com; Jennifer Shaw; Amanda Cornmesser; Gerri Kavanaugh  
**Cc:** Irving Faught; Faye Morton  
**Subject:** Rodney Watkins ODS 12-058  
**Attachments:** OrderDenyRespondentsMotionForRecusal\_12-058.pdf

Attached is *Order Denying Respondents' Motion for Recusal of Administrator and for Appointment of Neutral Hearing Officer*, issued by the Administrator.

Thank you,

Brenda London, Paralegal  
Oklahoma Department of Securities  
First National Building Suite 860  
120 North Robinson  
Oklahoma City OK 73102  
(405) 280-7700  
(405) 280-7742 Facsimile  
[blondon@securities.ok.gov](mailto:blondon@securities.ok.gov)