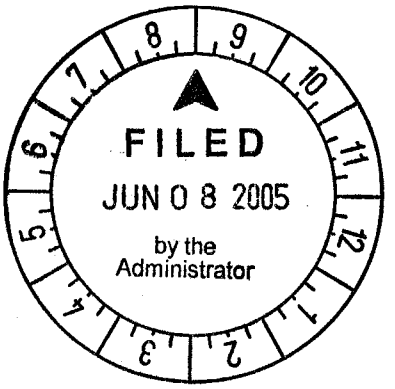
STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Steve R. Pearson
CRD No. 4315047,

Respondent. ODS File No. 05-075

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 Steve R. Pearson (Pearson) 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 8th day of June, 2005, by certified mail, return receipt requested, delivery restricted to addressee, to the last known address of Pearson, 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 8th day of June, 2005.

(SEAL)

Irving L. Faught, Administrator

Subscribed and sworn to before me this 8th day of June, 2005.

Notary Public

My Commission Expires: August 26, 2005
My Commission No.: 01013792
SEAL

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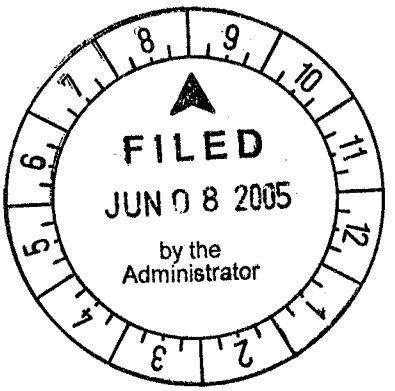

In the Matter of:

Steve R. Pearson
CRD No. 4315047,

Respondent. ODS File No. 05-075

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 Steve R. Pearson (Pearson), in connection with his registration as an agent of a broker-dealer.

2. On the 3rd day of June, 2005, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Pearson 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. Pursuant to Section 1-604 of the Act, failure to request a hearing as provided for herein shall result in the issuance of an order barring Pearson from association with a broker-dealer or investment adviser in any capacity.

5. The request for hearing shall be in writing and Pearson shall specifically admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within ninety (90) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Pearson 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 8th day of June, 2005.

(SEAL)

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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 8th day of June, 2005, 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:

Steve R. Pearson
707 E. Chicago
Yale, OK 74085

Brenda London
Paralegal

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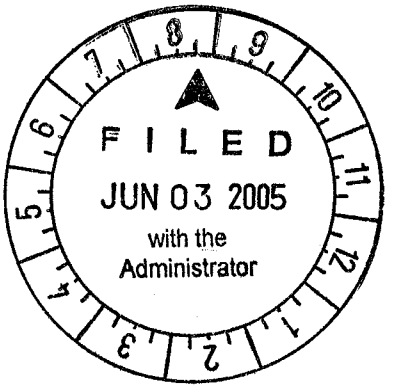


In the Matter of:

Steve R. Pearson
CRD No. 4315047,

Respondent. ODS File No. 05-075

ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Oklahoma Department of Securities (Department) conducted an investigation into the activities of Steve R. Pearson (Pearson) to determine whether certain violations of the Act and/or Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules) may have occurred in connection with Pearson's registration as an agent of a broker-dealer.

Based thereon, the following Findings of Fact, Authorities and Conclusions of Law are submitted to the Administrator of the Department (Administrator), or his designee, in support of the issuance of an order barring Pearson from association with a broker-dealer or investment adviser.

Findings of Fact

1. Pearson, a resident of Yale, Oklahoma, became registered under the Act as an agent of a broker-dealer, Farmers Financial Solutions, LLC (FFS), on November 29, 2000.

2. According to the records of the Central Registration Depository System (CRD), Pearson's registration as an agent of FFS was terminated on July 1, 2004. Pearson is not currently registered under the Act.

3. During the period from on or about April 1, 2002, through on or about March 31, 2004, Pearson received approximately $59,798.79 in insurance premiums from his customers, which he used in his own business and/or for his personal benefit, without the knowledge or consent of his customers.

4. The NASD entered into an Acceptance, Waiver, and Consent with Pearson on December 9, 2004, that barred Pearson from associating with any NASD member in any capacity.

To the extent of any of these Findings of Fact should be considered Conclusions of Law, they should be so considered.

Authority

Section 1-411 of the Act provides in part:

* * *

> C. If the Administrator finds that the order is 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:
>
> * * *
>
> > 5. Is the subject of an order, issued after notice and opportunity for hearing by:
> >
> > * * *
> >
> > > c. the Securities and Exchange Commission or by a self-regulatory organization suspending, barring, canceling or expelling the registrant from membership in a self-regulatory organization[.]

Conclusions of Law

1. Pearson is the subject of an order by the NASD barring him from association with any NASD member in any capacity.

2. The Administrator is authorized pursuant to Section 1-411 of the Act to issue an order to bar Pearson from association with a broker-dealer or investment adviser in any capacity.

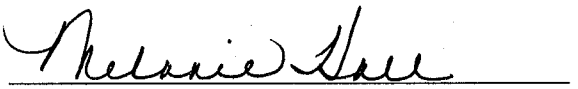
3. It is in the public interest to issue an order to bar Pearson from association with a broker-dealer or investment adviser in any capacity.

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 issue an order barring Pearson from association with a broker-dealer or investment adviser in any capacity.

Dated this 3rd day of June, 2005.

Respectfully submitted,



Melanie Hall, Deputy Administrator
Jennifer Shaw, Legal Intern
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700