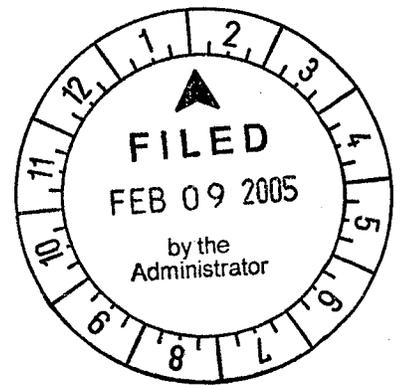


STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

R. David Vernon  
CRD No. 4729523,  
individually and doing business as  
The Vernon Company,

and

The Vernon Group, LLC  
IARD No. 129496,

Respondents.

File No. ODS 03-057

**ORDER SETTING HEARING**

**WHEREAS**, on December 15, 2004, the Enforcement Division submitted its Recommendation (Recommendation) to the Administrator of the Oklahoma Department of Securities (Department). The Recommendation contains proposed Findings of Fact, Authorities, and Conclusions of Law.

**WHEREAS**, on December 22, 2004, the Administrator issued a Notice of Opportunity for Hearing (Notice) with the Recommendation attached. The Notice advised R. David Vernon (Vernon) of his right to request a hearing to show why an order based on the Recommendation should not be issued pursuant to Section 1-411.B of the Oklahoma Uniform Securities Act of 2004 (Act). The Department sent the Notice to the last known address of Vernon and The Vernon Group LLC (Vernon Group), P.O. Box 1925, Ardmore, Oklahoma 73401, by certified mail, return receipt requested, and delivery restricted. The Department received written evidence that Vernon signed the return receipt for the Notice on December 30, 2004.

**WHEREAS**, the Department received a written request for hearing on the Recommendation on January 10, 2005.

**WHEREAS**, the Administrator finds that the request for hearing on the Recommendation was timely received.

**WHEREAS**, pursuant to Item 7 of the Notice, the following matters herein supplement the earlier Notice and Recommendation:

1. The Department hereby gives notice of its intent to request that a civil penalty in the amount of Ten Thousand Dollars (\$10,000.00) be assessed against Vernon and the Vernon Group as provided in the final amended form of the agreement among Vernon, the Vernon Group, and the Administrator, effective as of January 30, 2004.

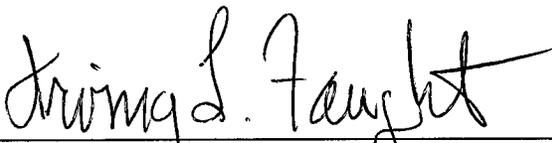
2. Vernon and the Vernon Group are delinquent for the payment due on January 5, 2005, in addition to the payment that was due on October 5, 2004.

3. During the pendency of this action, the registration of the Vernon Group as an investment adviser under the Act and the registration of Vernon as its investment adviser representative terminated as of midnight on December 31, 2004, due to the failure of Vernon to complete the process to renew the registrations. Therefore, the Department intends to request that the registration of Vernon be revoked as of December 31, 2004.

**IT IS HEREBY ORDERED** that pursuant to 660:2-9-2 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, a hearing shall commence at 9:00 a.m. on **March 23, 2005**, in the offices of the Oklahoma Department of Securities, First National Center, Suite 860, 120 North Robinson, Oklahoma City, Oklahoma, to afford Vernon the opportunity to present evidence and argument as to whether or not an order should be issued based on the Recommendation as supplemented herein.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 9th day of February, 2005.

(SEAL)

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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 10th day of February, 2005, a true and correct copy of the above and foregoing Order Setting Hearing was mailed by certified mail, return receipt requested, with postage prepaid thereon addressed to:

R. David Vernon  
The Vernon Group LLC  
P.O. Box 1925  
Ardmore, OK 73401

  
Brenda London  
Paralegal