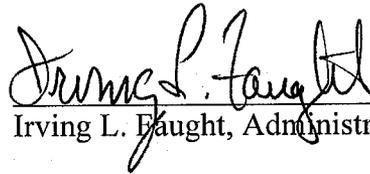


FURTHER AFFIANT SAYETH NOT.

Dated this 15th day of July, 2005.

(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 15TH day of July, 2005.

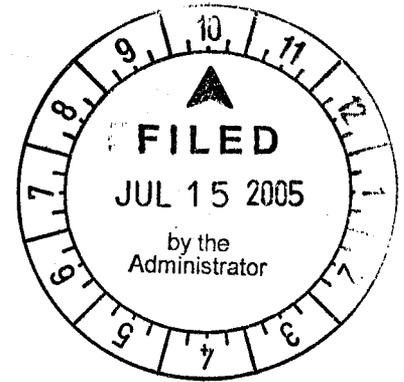

Brenda London
Notary Public

My Commission Expires: August 26, 2005

My Commission No.: 01013792

SEAL

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



In the Matter of:

Adrian Cooper
CRD No. 3271084,

Respondent.

File No. ODS 05-009

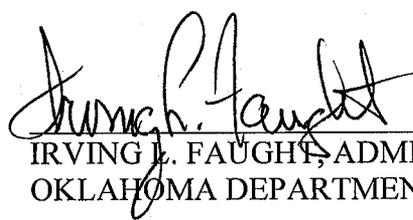
NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 1-602(A)(1) 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 Adrian Cooper (Cooper), to determine whether certain violations of the Act, the Predecessor Act, and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules) may have occurred.
2. On the 15th day of July, 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 Cooper 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 twenty (20) 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 to bar Cooper from association with a broker-dealer or investment adviser in any capacity.
5. The request for hearing shall be in writing and Cooper shall specifically admit or deny each allegation in said request as required by 660:2-9-2(a) 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 Cooper 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 15th day of July, 2005.

(SEAL)


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

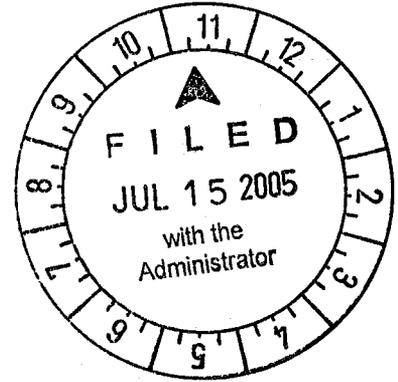
CERTIFICATE OF MAILING

The undersigned hereby certifies that on the _____ day of July, 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:

Adrian Cooper
18801 Wolfcreek Drive
Edmond, OK 73102

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:

Adrian Cooper
CRD No. 3271084,

Respondent.

File No. ODS 05-009

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), and Section 405 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), the Oklahoma Department of Securities (Department) conducted an investigation into the activities of Adrian Cooper (Cooper) to determine whether certain violations of the Act, the Predecessor Act, and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules) may have occurred.

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 Cooper from association with a broker-dealer and/or investment adviser in any capacity and from offering and/or selling any security.

Findings of Fact

1. In November of 1999, Cooper was registered under the Predecessor Act as an agent of Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch), a registered broker-dealer. In August of 2004, Merrill Lynch permitted Cooper to resign while he was under internal investigation for selling away from the firm. Cooper's registration under the Act was terminated on September 1, 2004.

2. Since as early as 2003, Cooper has engaged, and he may continue to engage, in the issuance, offer, and/or sale of various investments in and/or from Oklahoma including, but not limited to, shares of stock, real estate interests, and purported interests in an investment club managed by Cooper (Investment Interests). Cooper represents that he will make investments on behalf of, and return profits to, investors (Investors).

3. Cooper's offer and sale of the Investment Interests while a registered agent of Merrill Lynch involved transactions outside the scope of his relationship or affiliation with Merrill Lynch.

4. Cooper did not advise Merrill Lynch of the outside investment activities described above.

5. Cooper directed Investors to remit their money to him personally or to a third party through which the money was transferred to Cooper.

6. As described in paragraphs 7 through 25 below, Cooper did not invest the money entrusted to him. Such monies were used to pay personal expenses and to make payments to other investors. While Cooper represented the purported returns made to investors as being funded through the success of an underlying venture, the payments were actually funded with the monies of newly attracted investors - a classic "Ponzi" scheme.

Investor Ashmore

7. On November 18, 2003, Investor Ashmore, a resident of the state of Virginia, transferred \$40,000 to the joint account of Adrian and Trina Cooper (the "Coopers") at Bank of America for a purported real estate investment. Over eighty percent (80%) of the money wired by Investor Ashmore was used to cover an overdraft in the Coopers' Bank of America account. Cooper used the remainder of the money to pay personal expenses and to make cash withdrawals.

Investor Canada

8. In late 2003, Cooper represented to an Oklahoma resident (Investor Canada) that he could purchase a purported position in Sirius Satellite Radio stock and make a 6% profit on the investment.

9. On December 9, 2003, Investor Canada gave Cooper a check in the amount of \$12,200 to purchase shares of Sirius Satellite Radio stock. The check, payable to Cooper, was deposited into Cooper's personal account at First American Bank in Norman, Oklahoma, and used to cover an overdraft of \$22,807.50 in the account.

10. Subsequent to December 9, 2003, Investor Canada requested the return of his money from Cooper. On December 22, 2003, Cooper returned Investor Canada's money to him by using money wired to Cooper by another investor (Investor Constantine).

Investor Nichols

11. On December 30, 2003, Investor Nichols, a resident of the state of Texas, sent Cooper a check, payable to Cooper, in the amount of \$50,000 in order to purchase shares of Sirius Satellite Radio stock. The check was deposited into Cooper's account at Bank One. Cooper used the money sent by Investor Nichols to pay personal living expenses and other investors. Cooper also made cash withdrawals from the money sent by Investor Nichols.

Investor Nagel

12. In February of 2004, Cooper solicited Investor Nagel, a resident of the state of Oklahoma, for money to invest. On February 24, 2004, Investor Nagel gave Cooper a cashier's check in the amount of \$12,500, made payable to Cooper.

13. The cashier's check was deposited into the Cooper's joint account at Bank of America. Cooper paid personal expenses and made cash withdrawals from the funds provided by Investor Nagel.

Investor Resler

14. In the spring of 2004, Cooper informed an Oklahoma investor (Investor Resler) that he could purchase shares of U.S. Asante Technologies, Inc. (Asante) stock from Cooper's personal holdings. At the time, Cooper did not maintain a position in the stock of Asante.

15. Investor Resler gave Cooper two checks totaling \$20,000 in order to purchase shares of the Asante stock purportedly owned by Cooper.

16. Investor Resler gave Cooper a check, payable to Cooper, in the amount of \$5,000 on April 16, 2004. That check was deposited into the Coopers' joint account at Bank of America. The money was used to pay personal expenses.

17. On May 5, 2004, Investor Resler wired \$15,000 to Cooper's checking account at Bank One. Cooper withdrew the money in cash.

Investor Constantine

18. On December 10, 2003, Investor Constantine, a resident of the state of Texas, wired \$25,000 to Cooper believing he was purchasing shares of Sirius Satellite Radio stock that Cooper represented was held in his Merrill Lynch account. Cooper did not hold any Sirius Satellite Radio stock in his Merrill Lynch account.

19. From December 10, 2003, through July 2, 2004, Investor Constantine wired a total of \$185,000 to Cooper believing he was purchasing shares of Sirius Satellite Radio and Asante stocks. Cooper used the money wired by Investor Constantine to pay personal living expenses and to make payments to other investors. Cooper also made cash withdrawals of a portion of the money wired by Investor Constantine.

Investor Mosley

20. In June of 2004, Cooper solicited Investor Mosley for cash to invest. At the time, Investor Mosley was a recently widowed resident of the state of Oklahoma. On June 14, 2004, Investor Mosley wired \$20,000 to the Coopers' joint account at Bank of America.

21. Cooper used the money wired by Investor Mosley to pay personal expenses and to transfer money to an acquaintance, Rickey Brady (Brady).

22. On or about June 25, 2004, Investor Mosley received Check No. 775 in the amount of \$20,000 drawn on the Coopers' joint account at Bank of America. The check was returned by the bank for insufficient funds. Investor Mosley then received a cashier's check in the amount of \$20,000 from Cooper to replace Check No. 775. Investor Mosley also received \$2,500 in cash from Cooper as a purported return on the sale of stock.

23. Cooper again solicited Investor Mosley for cash to invest on her behalf. On or about June 29, 2004, Mosley gave a cashier's check to Rickey Brady. The cashier's check, in the amount of \$20,000, was made payable to Brady. Brady deposited the check into his personal account and then wired \$20,000 to the Coopers' joint account at Bank of America. This money was used to pay personal expenses.

24. In July of 2004, Cooper advised Investor Mosley that she could receive a profit of \$4,000 on the sale of her purported \$20,000 stock investment. Investor Mosley agreed to the sale. On July 23, 2004, Investor Mosley received a check in the amount of \$24,000 drawn on the Coopers' joint account at Bank of America.

Investor Steiner

25. On July 23, 2004, Investor Steiner, a resident of the state of California, wired \$6,000 into the Coopers' joint account at Bank of America for the purchase of shares of Asante stock. Cooper used the money wired by Investor Steiner toward the July 23, 2004 payment to Investor Mosley.

Other Findings

26. Cooper continued to represent himself to the public as a representative of Merrill Lynch after he resigned from the firm in August of 2004.

27. The investment club interests were not registered under the Act or the Predecessor Act.

28. The real estate investment interests were not registered under the Act or the Predecessor Act.

29. Based upon the foregoing conduct, it is in the public interest to issue an order barring Cooper from association with any broker-dealer and/or investment adviser in any capacity and from offering and/or selling any security.

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

Authorities

1. Section 1-701 of the Act provides in pertinent part:

The predecessor act exclusively governs all actions or proceedings that are pending on the effective date of this act or may be instituted on the basis of conduct occurring before the effective date of this act[.]

2. Section 2 of the Predecessor Act provides in part:

* * *

(d) "*Agent*" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

* * *

(e) "*Broker-dealer*" means any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account.

* * *

(v) "*Security*" means any:

* * *

(2) stock;

* * *

(6) evidence of indebtedness;

(7) certificate of interest or participation in any profit-sharing agreement;

* * *

(11) investment contract[.]

3. Section 1-102 of the Act provides in 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;

* * *

4. *"Broker-dealer"* means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

- a. an agent,
- b. an issuer,
- c. a bank or savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(B)(i) through (vi), (viii) through (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. Sections 78c(a)(4) and (5)) or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78c(a)(4)),
- d. an international banking institution, or
- e. a person excluded by rule adopted or order issued under this act;

* * *

32. *"Security"* means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security," or a certificate of interest or participation in, temporary or interim certificate for, receipt for,

guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

- a. includes both a certificated and an uncertificated security,
- b. does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a sum of money either in a lump sum or periodically for life or other specified period,
- c. does not include an interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974,
- d. includes as an "investment contract" an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors,
- e. includes as an "investment contract," among other contracts, an interest in a limited partnership and a third party managed limited liability company and an investment in a viatical or life settlement or similar contract or agreement,
- f. includes an investment of money or money's worth including goods furnished or services performed in the risk capital of a venture with the expectation of some benefit to the investor where the investor has no direct control over the investment or policy decision of the venture, and
- g. does not include an interest in an oil, gas or mineral lease as part of a transaction between parties, each of whom is engaged in the business of exploring for or producing oil and gas or other valuable minerals as an ongoing business or the execution of oil and gas leases by land, mineral and royalty owners in favor of a party or parties engaged in the business of exploring for or producing oil and gas or other valuable minerals[.]

4. Section 201 of the Predecessor Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.

5. Section 1-401 of the Act provides in part:

A. It is unlawful for a person to transact business in this state as a broker-dealer, unless the person is registered under this act as a broker-dealer or is exempt from registration as a broker-dealer under subsection B or D of this section.

6. Section 301 of the Predecessor Act provides:

It is unlawful for any person to offer or sell any security in this state unless:

- (1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or
- (2) it is a federal covered security.

7. Section 1-301 of the Act provides:

It is unlawful for a person to offer or sell a security in this state unless:

1. The security is a federal covered security;
2. The security, transaction, or offer is exempted from registration under Sections 6 through 8 of this act [Sections 1-201 through 1-203 of this title]; or
3. The security is registered under this act.

8. Section 101 of the Predecessor Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

- (1) to employ any device, scheme, or artifice to defraud,
- (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading,

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

9. Section 1-501 of the Act provides in pertinent part:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

1. To employ a device, scheme, or artifice to defraud;
2. To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or
3. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

10. Subsection (b) of Rule 660:10-5-42 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules) provides in 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 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.

* * *

- (15) No broker-dealer or agent of a broker-dealer shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device, practice, plan, program, design, or contrivance.

11. Section 406 of the Predecessor Act provides in part:

- (a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power

granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

* * *

- (3) bar or suspend the person from association with a broker-dealer or investment adviser subject to the provisions of the Oklahoma Securities Act;

* * *

- (5) issue an order against a person who willfully violates the Oklahoma Securities Act or a rule or order of the Administrator under the Oklahoma Securities Act, imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for multiple violations or transactions in a single proceeding or a series of related proceedings[.]

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

* * *

- 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;

* * *

13. Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous ten (10) years[.]

13. NASD Conduct Rule 3030, "Outside Business Activities of an Associated Person", provides in pertinent part as follows:

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.

Conclusions of Law

1. Cooper offered and sold unregistered securities in Oklahoma, in violation of Section 301 of the Predecessor Act and/or Section 1-301 of the Act.
2. Cooper transacted business in Oklahoma as an unregistered broker-dealer or agent, in violation of Section 201 of the Predecessor Act and/or Section 1-401 of the Act.
3. Cooper, directly or indirectly, employed a device, scheme, or artifice to defraud, in connection with the offer and sale of securities, in violation of Section 101 of the Predecessor Act and Section 1-501 of the Act.
4. Cooper, directly or indirectly, made untrue statements of material fact, and omitted to state material facts necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading, in connection with the offer and sale of securities, in violation of Section 101 of the Predecessor Act and Section 1-501 of the Act.
5. Cooper, directly or indirectly, engaged in an act, practice, or course of business that operated as a fraud or deceit upon other persons, in connection with the offer and sale of securities, in violation of Section 101 of the Predecessor Act and Section 1-501 of the Act.
6. Cooper engaged in dishonest or unethical practices in violation of subsection (b) of 660:10-5-42 of the Rules.

7. The Administrator is authorized to bar Cooper from association with a broker-dealer or investment adviser in any capacity and from offering and/or selling any security.

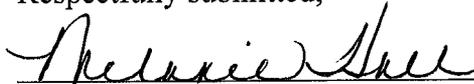
8. It is in the public interest to bar Cooper from association with any broker-dealer or investment adviser in any capacity and from offering and/or selling any security.

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 Cooper from association with any broker-dealer and/or investment adviser in any capacity and from offering and/or selling any security and/or imposing any other sanctions(s) as deemed appropriate and as authorized by law.

Dated this 15th day of July, 2005.

Respectfully submitted,



Melanie Hall
Deputy Administrator/Director of Enforcement
Amanda Cornmesser
Enforcement Attorney
Oklahoma Department of Securities
120 N. Robinson, Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700