

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



In the Matter of:

Brian Jason Ross, and
J. Ross Financial, Inc.,

Respondents.

ODS File No. 05-030

AGREEMENT

THIS AGREEMENT is entered into between Brian Jason Ross (Ross) and J. Ross Financial, Inc. (J. Ross Financial) (collectively, "Respondents"), and the Administrator (Administrator) of the Oklahoma Department of Securities (Department) as of the effective date set forth below.

An investigation into the activities of Respondents was conducted by the Enforcement Division (Division) of the Department, pursuant to Section 403 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), and Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), concerning possible violations of the Predecessor Act.

As a result of the investigation, the Division recommended to the Administrator the issuance of an order barring Ross from association with an investment adviser and/or broker-dealer in any capacity (Recommendation). In its Recommendation, the Division alleged the following:

1. The timeshare interests, with third party servicing components, in Yucatan Resorts and Resort Hotels, Inc., that were offered and sold by Respondents, are securities.
2. Respondents offered and sold unregistered securities in and/or from Oklahoma, in violation of Section 301 of the Predecessor Act.
3. Respondents transacted business in Oklahoma as an unregistered broker-dealer or agent, in violation of Section 201 of the Predecessor Act.
4. Respondents transacted business in Oklahoma as an unregistered investment adviser, or investment adviser representative, in violation of Section 201 of the Predecessor Act.

5. J. Ross Financial employed an unregistered agent and/or unregistered investment adviser representative, in violation of Section 201 of the Predecessor Act.

6. Respondents, 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.

7. Respondents engaged in dishonest or unethical practices, in violation of subsection (b) of 660:10-5-42 of the Rules.

8. Respondents did not have reasonable grounds for believing that the recommendation to purchase the securities was suitable for their customers, in violation of subsection (b) of 660:10-5-42 of the Rules.

9. Respondent Ross engaged in "selling away" while employed as an agent of Multi-Financial Securities Corporation and USA Financial Securities Corporation, both registered broker-dealers and investment advisers, in violation of NASD Conduct Rules 3030 and 3040 and 660:10-5-42 of the Rules.

Respondents desire to settle this matter expeditiously. Respondents voluntarily waive their right to a hearing as required by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules), and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et seq.*

NOW THEREFORE, the undersigned parties hereto agree as follows:

1. **Permanent Order to Bar.** Ross consents to a permanent bar in the form of Exhibit A attached hereto and made a part hereof.

2. **Dissolution.** J. Ross Financial consents to dissolve its corporate status in the state of Oklahoma by May 1, 2006.

3. **Consideration.** In consideration for the agreements set forth above, the Administrator agrees that no further action shall be taken by the Administrator or the Department against Respondents for violations of the Predecessor Act. However, should Respondents fail to comply with the terms of this Agreement in any material respect, or if Respondents have made any false or misleading statements to the Department in connection with this Agreement, the Enforcement Division will initiate action as authorized by the Act.

4. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of each party hereto and their respective successors and permitted assigns. Except as provided herein, nothing in this Agreement, express or implied, is intended or shall be construed to give to any person other than the parties hereto any right, remedy or claim under or by reason of this Agreement.

5. **Entire Agreement; Amendment.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto.

6. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences any action in connection with any information obtained by the Administrator against Respondents, the Administrator may assist in such actions as authorized by law. This Agreement applies only to the activities of Respondents, and to no others, prior to the effective date of the Agreement. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions to which it relates.

7. **Effective Date.** This Agreement shall be effective as of the date on which it is accepted by the Administrator as set forth below his signature hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

BRIAN JASON ROSS:

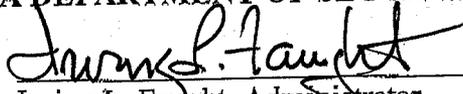
Date: 01/09/2006
[Signature]
Address: 5514 S. LEWIS AVE
TULSA, OK 74105

J. ROSS FINANCIAL, INC.:

By: [Signature]
Print Name: BRIAN ROSS
Title: PRESIDENT
Date: 01/09/2006
Address: 5514 S. LEWIS AVE
TULSA, OK 74105

OKLAHOMA DEPARTMENT OF SECURITIES:

By:


Irving L. Faught, Administrator

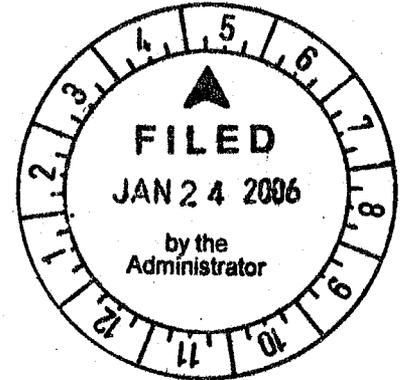
Date:

January 24, 2006

Address:

The First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

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



In the Matter of:

Brian Jason Ross, and
J. Ross Financial, Inc.,

Respondents.

ODS File No. 05-030

**ORDER BARRING FROM ASSOCIATION
WITH A BROKER-DEALER OR INVESTMENT ADVISER AND FROM
OFFERING OR SELLING SECURITIES**

The Enforcement Division (Division) of the Oklahoma Department of Securities (Department) conducted an investigation into the activities of Brian Jason Ross (Ross) and J. Ross Financial, Inc. (J. Ross Financial) (collectively, "Respondents"), in connection with the offer, sale and/or purchase of securities in and/or from Oklahoma, pursuant to Section 403 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003), and Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003). Based thereon, the Division submitted to the Administrator findings of fact, authorities and conclusions of law in support of an order barring Ross from association with an investment adviser and/or broker-dealer in any capacity and from offering and/or selling any security in and/or from the state of Oklahoma (Recommendation).

For the purpose of resolving the issues raised in the Recommendation, Respondents executed an agreement (Agreement) with the Administrator of the Department (Administrator), attached hereto as Exhibit "A," wherein Respondents consented to the entry of this Order and voluntarily waived their right to a hearing as required by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules), and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et seq.*

The Administrator hereby adopts the Findings of Fact, Authorities and Conclusions of Law set forth in the Recommendation as follows:

Findings of Fact

1. In May of 1999, Ross was registered under the Predecessor Act as an agent of Prudential Securities Incorporated (Prudential), a registered broker-dealer. On July 28, 2000, Ross' employment was terminated for lack of productivity.

2. From April 26, 2001 to February 14, 2003, Ross was registered under the Predecessor Act as an agent and investment adviser representative of Multi-Financial Securities Corporation (Multi-Financial), a registered broker-dealer and investment adviser.

3. From February 26, 2003 to September 30, 2004, Ross was registered under the Predecessor Act and the Act as an agent and investment adviser representative of USA Financial Securities Corporation (USA), a registered broker-dealer and investment adviser.

4. J. Ross Financial is an Oklahoma corporation. Ross is the only officer and employee of J. Ross Financial.

Yucatan Issuers

5. Yucatan Resorts, S.A. (Yucatan Resorts), Resort Holdings International, S.A. (Resort Holdings), Galaxy Property Management (Galaxy Property), World Phantasy Resorts, Inc. (World Phantasy), and Avalon Resorts (Avalon) (collectively, "Yucatan Issuers"), all related entities, are engaged in the business of offering and selling investments relating to timeshare properties in Mexico.

6. Respondents, acting on behalf of the Yucatan Issuers, engaged in the offer and sale of interest bearing investments relating to time share interests through the "Universal Lease Program." Respondents represented the investments as safe, secure and suitable for funding individual retirement accounts.

7. The timeshare interests were offered in conjunction with a program through which investors could assign their timeshare interests to a third party who guaranteed to rent and manage the timeshare interests for such investors (Third Party Servicing Company). Investors were told they would receive a return on investment of 11% per year.

8. The Third Party Servicing Company assumed full responsibility for handling the rental of units, collection of rental monies, and distributions to investors.

9. Respondents participated in approximately 14 transactions in and/or from the state of Oklahoma involving the Yucatan Issuers' Universal Lease Program. The principal amount of those transactions totaled approximately \$465,000. Respondents received a commission for each transaction from the Yucatan Issuers.

10. Respondents' sales of the timeshare interests through the Universal Lease Program began in July of 2001 and ended in September of 2002.

11. Respondents' sales of the Universal Lease Program interests were made as agents of Southwest Income Marketing. Respondents received commissions for transactions effected on behalf of Southwest Income Marketing.

Branson Issuers

12. Resort Hotels, Inc., Ozark Ticket and Travel, Inc., and Universal Financial Leasing, Inc. (collectively, "Branson Issuers"), all related entities, were engaged in the business of offering and selling investments relating to timeshare properties in Branson, Missouri.

13. Respondents, acting on behalf of the Branson Issuers, engaged in the offer and sale of interest bearing investments relating to timeshare interests through the "Leisure Lease."

14. The Leisure Lease was offered in conjunction with a program through which investors could assign their timeshare interests to a third party servicing company. Investors were told they could receive a return on investment of 11% per year. In reality, new investors' funds were transferred by the Branson Issuers to existing investors as purported returns on their investments.

15. Respondent Ross failed to inform at least one Oklahoma investor in connection with the offer and/or sale of the Leisure Lease that the program involved timeshare interests.

16. Respondent Ross stated to at least one Oklahoma investor that he had performed his due diligence in his recommendation of the Leisure Lease.

17. The Branson Issuers were shut down after an investigation and resulting action by the United States Securities and Exchange Commission (SEC). The SEC obtained a judgment and injunction against the Branson Issuers in connection with their Leisure Lease activities.

18. Upon commencement of the SEC investigation, the Branson Issuers ceased making rental income payments to investors. As a result, Ross began to make the promised interest payments to the Oklahoma investors from J. Ross Financial's funds.

19. Respondents participated in approximately eight transactions in and/or from the state of Oklahoma involving the Branson Issuers' Leisure Lease. The principal amount of those transactions totaled approximately \$592,000. Respondents received between 10% to 14% in commissions from those transactions.

20. Respondents' sales of the Leisure Lease began in October of 2002 and ended in August of 2003.

21. In effecting the sales of the Leisure Lease, Respondents acted as independent agents of the GAT Group, a marketing organization that marketed the Leisure Lease.

Other Findings

22. Respondent Ross offered and sold interests in the Universal Lease Program and Leisure Lease during the time that he was affiliated with Multi-Financial. Respondent Ross was aware that it was against industry rules and Multi-Financial's policies for a broker to engage in outside business activities without first obtaining express written permission from the employing brokerage firm ("selling away").

23. Respondent Ross completed various forms, at the request of Multi-Financial, acknowledging Multi-Financial's requirement to be made aware of its brokers' outside business activities. Respondent Ross failed to advise and obtain the approval of Multi-Financial to engage in the offer and sale of the interests in the Yucatan Issuers' Universal Lease Program and/or the Branson Issuers' Leisure Lease.

24. Respondent Ross offered and sold interests in the Leisure Lease program during the time that he was affiliated with USA. Respondent Ross was aware that it is against industry rules and USA's policies for a broker to engage in outside business activities without first obtaining express written permission from the employing brokerage firm.

25. Respondent Ross completed various forms at the request of USA, acknowledging USA's requirement to be made aware of its brokers' outside business activities. Respondent Ross failed to advise and obtain the approval of USA to engage in the offer and sale of the interests in the Branson Issuers' Leisure Lease.

26. Respondent Ross continued to represent himself to the public as a representative of USA after he resigned from the firm in September of 2004.

27. Respondent Ross represented to at least one Oklahoma investor in connection with the offer and/or sale of interests in the Universal Lease Program and the Leisure Lease that he was not receiving commissions on the sales and that he was making those sales only for the benefit of the Oklahoma investor.

28. Interests in the Universal Lease were not registered under the Predecessor Act.

29. Interests in the Leisure Lease were not registered under the Predecessor Act.

30. J. Ross Financial was not registered in any capacity under the Predecessor Act.

31. The persons to whom Respondents sold the timeshare interests were fixed annuity, long-term care, and/or term insurance clients. The average age of investors who purchased the interests from Respondents was 63.

32. Respondents encouraged one Oklahoma resident, who was 67 years of age at the time of the transaction, to mortgage her home in order to purchase an interest in the Leisure Lease. Ross initiated the mortgage negotiations and dealt exclusively with the mortgage company on her behalf.

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

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:

* * *

(11) investment contract[.]

3. 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.

* * *

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered or is exempt from registration. The registration of an agent is not effective during any period when the agent is not associated with a particular broker-dealer registered under this act or a particular issuer. When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities which the person an agent, the agent as well as the broker-dealer or issuer shall promptly notify the Administrator.

(c)(1) It is unlawful for any person to transact business in this state as an investment adviser unless registered under this act or unless exempt from registration as provided in paragraph (2) of this subsection.

* * *

(d)(1) It is unlawful for any person to transact business in this state as an investment adviser representative unless registered under this act or unless he is exempt from registration as provided in paragraph (3) of this subsection. It is unlawful for any person required to be registered as an investment adviser under this act, or any person exempt from registration as an investment adviser under this act, to employ supervise, be represented by or be associated with an investment adviser representative unless the investment adviser representative is registered under this act or unless the investment adviser representative is exempt from registration as provided in paragraph (3) of this subsection.

4. 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.

5. Section 101 of the Predecessor Act provides in pertinent part as follows:

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

* * *

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

6. 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.

(2) In recommending to a customer the purchase, sale or exchange of any security, the broker-dealer and his agents shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs. Prior to making a recommendation to a customer a broker-dealer shall also make reasonable efforts to obtain information concerning the customer's financial backgrounds, tax status, and investment objectives, and such other information used or considered to be reasonable and necessary by such broker-dealer or registered agent in making such recommendation.

* * *

(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.

7. 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.

8. NASD Conduct Rule 3040, "Private Securities Transactions of an Associated Person", provides in pertinent part as follows:

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.

9. 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[.]

10. 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[.]

Conclusions of Law

1. Timeshare interests, sold with the third party servicing component, in the Universal Lease Program and Leisure Lease are securities.
2. Respondents offered and sold unregistered securities in and/or from Oklahoma, in violation of Section 301 of the Predecessor Act.
3. Respondents transacted business in Oklahoma as an unregistered broker-dealer or agent, in violation of Section 201 of the Predecessor Act.
4. Respondents transacted business in Oklahoma as an unregistered investment adviser, or investment adviser representative, in violation of Section 201 of the Predecessor Act.
5. J. Ross Financial employed an unregistered agent and/or unregistered investment adviser representative, in violation of Section 201 of the Predecessor Act.
6. Respondents, 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.
7. Respondents engaged in dishonest or unethical practices, in violation of subsection (b) of 660:10-5-42 of the Rules.
8. Respondents did not have reasonable grounds for believing that the recommendation to purchase the interests in the Universal Lease Program or Leisure Lease was suitable for their customers, in violation of subsection (b) of 660:10-5-42 of the Rules.
9. Respondent Ross violated NASD Conduct Rules 3030 and 3040 and 660:10-5-42 of the Rules.
10. The Administrator is authorized to bar Ross from association with a broker-dealer or investment adviser in any capacity and from offering and/or selling any security in and/or from the state of Oklahoma.
11. It is in the public interest to bar Ross from association with any broker-dealer or investment adviser in any capacity and from offering and/or selling any security in and/or from the state of Oklahoma.

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

NOW THEREFORE, it is hereby ordered that, effective immediately, Ross is barred from association with a broker-dealer or investment adviser in any capacity and from offering and/or selling any security in and/or from the state of Oklahoma.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 24th day of January, 2006.

(SEAL)



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