IN THE UNITED STATES DISTRICT COURT FOR THE

WESTERN DISTRICT OF OKLAHOMA

FILED

MAR 19 2002

ROBERT D. DENNIS
U.S. DIST. COURT, WESTERN DIST. OF OKLA.
By Deputy Clerk

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	CR 02-045 R
-vs-	)	No. _____
	)	
RICHARD G. O'QUIN,	)	Violations: 15 USC § 78j(b)
	)	18 USC § 2(b)
Defendant.	)	18 USC § 1341
	)	18 USC § 1001

INDICTMENT

The Federal Grand Jury charges:

INTRODUCTION

COUNTS 1 - 6

At all times material to this Indictment:

1. The United States Securities and Exchange Commission (SEC) was an agency of the United States government. The SEC was responsible for regulating the securities industry and enforcing the securities laws of the United States. The securities laws are designed to promote full public disclosure and protect the investing public against fraud in the securities market.

2. Harbor Securities, LLC (Harbor Securities) was a limited liability company, based in New York. Harbor Securities was a registered broker-dealer and a member of the Philadelphia Stock Exchange. Individuals desiring to trade securities on their own behalf could do so by becoming a member of Harbor Securities by assenting to and signing an "Operating Agreement" and an "Acknowledgment of Membership and Risk." These agreements evidenced that the member was the sole owner of the funds contributed.

3. First Options of Chicago (First Options), with headquarters in Chicago, Illinois and branch offices in New York City, New York, was a registered broker-dealer and operated as a clearing house for the receipt and transfer of investor funds from the accounts of Harbor Securities members.

4. **RICHARD G. O'QUIN** resided in Purcell, Oklahoma and was employed as an instructor at Academy of Tae Kwon Do.

5. Harbor Securities (O'Quin Harbor) was a sole proprietorship owned and operated by **RICHARD G. O'QUIN,** with offices located at the Academy of Tae Kwon Do Studio in Norman, Oklahoma, and later located at 6601 N. Broadway, Suite 345, Oklahoma City, Oklahoma. O'Quin Harbor was not owned by or otherwise affiliated with Harbor Securities.

Definitions:

6. A "security" signifies an ownership position in a business (such as a share of stock) or other relationship with a business (such as a bond). Examples of

securities include stocks, participation in a profit-sharing agreement, investment contracts, or a right to subscribe to or purchase any of the foregoing.

7. A "limited liability company" (abbreviated LLC) is a type of business organization which may be treated as a partnership for federal tax purposes and which has limited liability protection for the owners at the state level.

8. A "broker-dealer" is a person or company registered with the SEC and which acts as a "broker" or an agent, for the purchase and sale of securities for the accounts of others, and as a "dealer" buying and selling securities for its own account.

9. A "day trader" generally refers to an individual who conducts intra-day trading in a focused and consistent manner, with the primary goal of earning a living through the profits derived from this trading strategy. This form of day trading requires aggressive and frequent securities trading, a significant amount of capital, a sophisticated understanding of securities markets and a high risk tolerance.

SECURITIES FRAUD
(15 U.S.C. § 78j(b))

Purpose of the Fraud

10. The purpose of the scheme to defraud was for the defendant, **RICHARD G. O'QUIN**, to fraudulently obtain investors' money, which was purportedly to be pooled with that of other investors and used to buy and sell securities. The defendant, however, invested a very small portion of the money and used the majority of investors' funds for his personal benefit.

The Scheme

11. From in or about the fall of 1997 through in or about December 2000, the exact dates being unknown to the Grand Jury,

---------- **RICHARD G. O'QUIN,** ----------

the defendant herein, in connection with the purchase and sale of securities, unlawfully, willfully and knowingly, by means and instrumentalities of interstate commerce and the mails, directly and indirectly, used and employed deceptive devices and contrivances in contravention and violation of Rule 10b-5 (17 C.F.R. Section 240.10b-5) of the rules and regulations prescribed by the SEC. More specifically, defendant (a) employed a device, scheme, and artifice to defraud as to a material matter; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstance under which they were made, not misleading; and (c) engaged in acts, practices and a course of business which would and did operate as a fraud and deceit upon investors.

12. It was a part of the scheme and artifice to defraud as to a material matter that the defendant solicited approximately $415,550.00 from over 23 investors through telephone conversations and personal meetings.

13. It was a further part of the scheme to defraud that the defendant preyed upon private citizens, who invested savings set aside for retirement or for their children's educations.

14. It was a further part of the scheme to defraud that the defendant would represent to potential investors that he was a registered broker-dealer and had enjoyed prior success as a securities day trader.

15. It was a further part of the scheme to defraud that the defendant falsely represented that he was a member of the Philadelphia Stock Exchange, and was authorized to purchase, sell and otherwise trade in registered securities, when, in fact, he was not licensed by any recognized regulated body nor a member of any stock exchange.

16. It was a further part of the scheme to defraud that the defendant falsely represented himself to investors as being an agent of Harbor Securities, LLC. Defendant's representations of such affiliation were made through the use of oral communications, business cards showing a business address for "Harbor Securities," a telephone directory listing for "Harbor Securities," and a bank account, in which the defendant was the sole authorized signatory, in the name of "Harbor Securities" at Nations Bank.

17. The defendant falsely and fraudulently represented to investors that their money would be pooled with that of other investors to purchase securities and that they would receive monthly returns on their investments of up to ten percent of their initial investment.

18. After luring investors, the defendant deposited the investors' funds into his "Harbor Securities" account at Nations Bank and would, thereafter, use the deposited funds for his own benefit for the purchase of such items as jewelry, computers, travel, a pick-up truck, landscaping equipment and a recreational vehicle.

19. In an effort to conceal the fraud, the defendant caused fictitious customer account statements purportedly showing security transactions which never actually took place and balances that were partially or wholly inaccurate to be prepared and mailed to investors.

20. In a further effort to conceal the fraud, the defendant periodically issued and mailed checks to investors that purported to represent investment profits. **RICHARD G. O'QUIN** often used money misappropriated from later investors to fund these payments.

21. On or about the dates and in the amounts listed below, in Norman, Oklahoma, in the Western District of Oklahoma, and elsewhere, **RICHARD G. O'QUIN**, the defendant, unlawfully, willfully and knowingly, by use of means and instrumentalities of interstate commerce and the mails, directly and indirectly, (a) used a device, scheme, and artifice to materially defraud numerous investors; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstance under which they were made, not misleading; and (c) engaged in acts, practices and a course of business which would and did operate as a fraud and deceit upon investors in connection with the purchase and sale of securities.

COUNT	DATE	INVESTOR	AMOUNT INVESTED
1	03/19/98	David and Cindy Boatwright	$ 30,000.00
2	05/15/98	Larry Peratta	$ 25,000.00
3	06/23/98	Chang Lim Yi	$ 10,000.00

4	10/27/98	Thurman E. and Wilma Vinson	$ 25,000.00
5	10/30/98	Sidney F. Terry Sr.	$ 25,000.00
6	05/20/98	Raymond J. Palmer	$ 10,000.00

All in violation of Title 15, United States Code, Section 78j(b), and Title 18, United States Code, Section 2(b).

COUNTS 7 - 22

MAIL FRAUD
(18 U.S.C. § 1341)

22. Paragraphs 1 through 20 of the Indictment are realleged and incorporated by reference herein.

23. On or about the dates listed below, in the Western District of Oklahoma, and elsewhere,

---------- RICHARD G. O'QUIN, ----------

the defendant herein, for the purpose of executing the scheme to defraud and to obtain money by material false and fraudulent pretenses, representations and promises, knowingly placed and willfully caused to be placed in any authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the United States Postal Service, that is, dividend checks and account statements as set out below:

COUNT	DATE	ENVELOPE ADDRESSED TO	CONTAINING
7	11/01/98	Chang Lim Yi 5116 Cinderella Drive Oklahoma City, OK 73129	Account Statement
8	12/28/98	Sidney Terry, Sr. 14901 N. Pennsylvania #387 Oklahoma City, OK 73134	Dividend Check
9	01/19/99	Sidney Terry, Sr. 14901 N. Pennsylvania #387 Oklahoma City, OK 73134	Dividend Check
10	02/22/99	Sidney Terry, Sr. 14901 N. Pennsylvania #387 Oklahoma City, OK 73134	Dividend Check
11	12/14/98	Thurman E. Vinson HC-67 Box 712 Marietta, OK 73448	Dividend Check
12	01/19/99	Thurman E. Vinson HC-67 Box 712 Marietta, OK 73448	Dividend Check
13	02/18/99	Thurman E. Vinson HC-67 Box 712 Marietta, OK 73448	Dividend Check
14	05/12/98	David Boatwright 8100 York Road Lexington, OK 73051	Dividend Check
15	09/14/98	David Boatwright 8100 York Road Lexington, OK 73051	Dividend Check
16	02/01/99	David Boatwright 8100 York Road Lexington, OK 73051	Dividend Check
17	07/20/98	Larry Peratta 1229 S.W. 118th Place Oklahoma City, OK 73170	Dividend Check

COUNT	DATE	ENVELOPE ADDRESSED TO	CONTAINING
18	10/20/98	Larry Peratta 1229 S.W. 118th Place Oklahoma City, OK 73170	Dividend Check
19	02/22/99	Larry Peratta 1229 S.W. 118th Place Oklahoma City, OK 73170	Dividend Check
20	07/21/98	Raymond Palmer 2150 Lakeview Drive Choctaw, OK 73020	Dividend Check
21	10/20/98	Raymond Palmer 2150 Lakeview Drive Choctaw, OK 73020	Dividend Check
22	02/22/99	Raymond Palmer 2150 Lakeview Drive Choctaw, OK 73020	Dividend Check

All in violation of Title 18, United State Code, Section 1341 and Title 18, United States Code, Section 2(b).

COUNT 23

FALSE STATEMENT
(18 U.S.C. § 1001)

24. Paragraphs 1 through 20 of the Indictment are realleged and incorporated by reference herein.

25. In or about November 12, 1998, in the Western District of Oklahoma, and elsewhere,

---------- **RICHARD G. O'QUIN,** ----------

in a matter within the jurisdiction of the Social Security Administration, an agency of the United States Department of Health and Human Services, did knowingly and willfully make and caused to be made a false, fictitious, and fraudulent material statement, in that the defendant, in a "Statement for Determining Continuing Eligibility for Supplemental Security Income Payments", Form SSA-8203, stated 1) that since September 1996 he had not worked and did not expect to work in the next 14 months; and (2) that since September 1996 he had not received and did not expect to receive in the next 14 months "money from any other person or organization." In truth, the defendant knew when the statement was made that it contained a materially false, fictitious and fraudulent statement in that defendant had worked since September 1996 and defendant had received money from other persons since September 1996.

All in violatin of Title 18, United States Code, Section 1001.

A TRUE BILL:

FOREPERSON OF THE GRAND JURY

ROBERT G. MCCAMPBELL
United States Attorney

BARBARA E. RYAN
Assistant U.S. Attorney