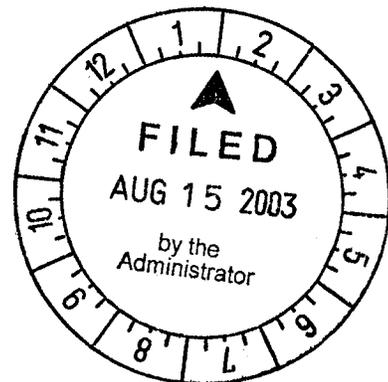


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Jay Lee Quinton,

Respondent.

File No. ODS 03-152

**ORDER BARRING FROM ASSOCIATION
WITH A BROKER-DEALER OR INVESTMENT ADVISER**

On July 23, 2003, a recommendation to issue an order barring Jay Lee Quinton (Quinton) from association with a broker-dealer or investment adviser (Recommendation) was filed with the Administrator of the Oklahoma Department of Securities (Department). The issuance of such order is authorized by subsection (b) of Section 406 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2002).

On July 23, 2003, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice). Pursuant to Section 413 of the Act, the Notice was served on the Administrator of the Department on July 23, 2003, and mailed to Jack Mattingly, Sr. (Mattingly), counsel for Quinton, by certified mail, return receipt requested, and delivery restricted. On July 29, 2003, service was effected on Mattingly.

The Notice specified that failure to request a hearing within fifteen (15) days of service will result in the issuance of an order to cease and desist. No request for hearing or any other response has been received by the Administrator.

The Administrator of the Department, being fully advised in this matter, does hereby adopt the Findings of Fact and Conclusions of Law as set forth below.

Findings of Fact

A. Background

1. Quinton, a resident of Ada, Oklahoma, became registered as an agent under the Act on November 11, 1996.

2. At all times material hereto, Quinton was an employee of First National Bank and Trust Company of Ada (FNB) and an officer of First Ada Financial Services, Inc. (FAFS), an Oklahoma corporation and wholly-owned subsidiary of FNB.

3. At all times material hereto, Quinton was also an agent of Financial Network Investment Corporation (FNIC). FNIC became registered under the Act as a broker-dealer on February 22, 1984.

4. At all times material hereto, FAFS maintained an account, described as the "Omnibus" account (the "Omnibus Account"), with a broker-dealer other than FNIC. Quinton used the Omnibus Account to purchase municipal securities on behalf of certain customers. Quinton also created and provided account statements to those customers using the FAFS name (the "Account Statements").

5. The municipal securities purchased on behalf of these customers were held in the Omnibus Account in the name of FAFS.

B. Unauthorized transactions

6. Beginning in 2000 and continuing into 2003, Quinton sold certain of the municipal securities held in the Omnibus Account for the account of customers (the "Municipal Securities") without the customers' knowledge or consent. The Account Statements received by the customers did not reflect these sales.

7. Beginning in 2000 and continuing into 2003, Quinton failed to inform customers of the fact that certain of the Municipal Securities had been redeemed or called by the issuer of such securities. The Account Statements received by the customers did not reflect these redemptions or calls.

8. Beginning in 2000 and continuing into 2003, Quinton caused the proceeds from both the unauthorized sales and the redemptions to be deposited into bank and brokerage accounts controlled by him.

9. Quinton used the proceeds, in part, to pay personal expenses, including the purchase of personal automobiles and the making of charitable donations. Quinton also used the proceeds to continue to make interest payments to customers whose bonds had been sold without authorization or called by the issuers, thereby leading the customers to believe that the securities remained in their accounts.

10. The unauthorized transactions affected at least fifteen customers and involved in excess of Two Million Dollars (\$2,000,000.00).

C. Misrepresentations concerning transactions in certain securities

11. In connection with the purchase of certain cumulative preferred stocks (the "Preferred Stocks"), Quinton informed at least three customers, who were seeking a more secure investment, that the Preferred Stocks were debt instruments and therefore binding obligations of the issuing corporations.

12. When dividends were suspended by the boards of directors of those corporations, Quinton further deceived the customers by continuing to pay the customers the historical dividend rate for each Preferred Stock using proceeds from the previously described unauthorized transactions.

D. Failure to execute purchase orders

13. With respect to at least one customer, Quinton failed to execute a purchase order submitted by the customer. The customer directed the purchase of certain municipal securities and remitted the purchase price to FAFS. While leading the customer to believe that the order had been executed, Quinton falsely credited a large portion of the purchase amount to an FAFS commission income account from which he would directly benefit.

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

Authorities and Conclusions of Law

14. 660:10-5-42 of the Rules sets forth the standards of ethical practice for broker-dealers and agents. Violation of any standard constitutes an unethical practice in the securities business. 660:10-5-42(b)(1) of the Rules requires that an agent, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.

15. Quinton failed to observe high standards of commercial honor and just and equitable principles of trade and engaged in unethical practices in the securities business, in violation of 660:10-5-42.

16. Section 101 of the 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 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.

17. Quinton's conduct violated Section 101 of the Act.

18. Section 406 of the Act provides:

(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[.]

19. It is in the public interest for Quinton to be barred from association with a broker-dealer or investment adviser subject to the provisions of the Act.

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

ORDER

IT IS HEREBY ORDERED that Quinton is barred from association with a broker-dealer or investment adviser subject to the provisions of the Act.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 15th day of August, 2003.

(SEAL)



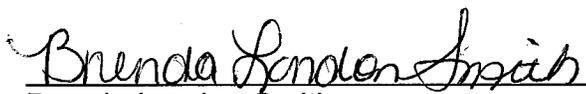
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 15th day of August, 2003, a true and correct copy of the above and foregoing Order Barring from Association with a Broker-Dealer or Investment Adivser was mailed by certified mail, return receipt requested, with postage prepaid thereon addressed to:

Jay Lee Quinton
11619 State Highway 3
Ada, OK 74820

Jack Mattingly, Sr.
Mattingly Law Firm
P.O. Box 70
Seminole, OK 74818
(Attorney for Respondent)



Brenda London Smith
Paralegal