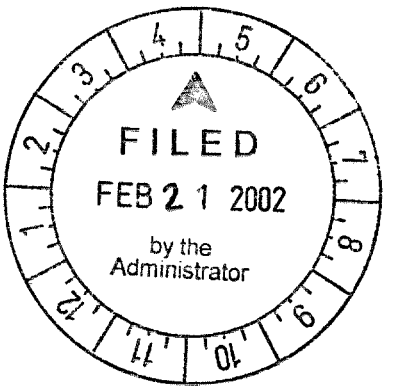
STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Prudential Securities, Incorporated
111 North Broadway, Suite F
Edmond, Oklahoma

Respondent. ODS File No. 02-016

ORDER INITIATING SPECIAL EXAMINATION

The Administrator of the Oklahoma Department of Securities (Department) has received information concerning certain activities occurring in and/or from the referenced branch office of Prudential Securities Incorporated (Prudential Securities). Such information indicates that violations of certain sections of the Oklahoma Securities Act (Act), Okla. Stat. Ann. tit. 71, §§ 1-413, 501, 701-703 (1991 and Supp. 2001), and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules) may have occurred.

Section 203 of the Securities Act provides in part as follows:

(a) Every registered broker-dealer and investment adviser shall make and keep such accounts, correspondence, memoranda, papers, books, and other records as the Administrator, by rule prescribes. . . .

* * *

(d) All the records referred to in subsection (a) of this section are subject at any time or from time to time to such reasonable periodic, special, or other examinations without notice by representatives of the Administrator, within or without this state, as the Administrator deems necessary or appropriate in the public interest or for the protection of investors. . . .

Based upon the information received and in light of the provisions of the Securities Act and the Rules, the Administrator has determined it to be necessary and in the public interest to conduct a special examination of the activities of the referenced office of Prudential Securities including, but not limited to, the trading activities and sales practices of Robert Elliott and Billy Cobb, agents of Prudential Securities; the supervision of such agents; and the maintenance of required books and records.

IT IS THEREFORE ORDERED that a special examination be commenced by the Department into the activities of the referenced office of Prudential Securities and its associated or affiliated entities or individuals, to determine whether such persons have violated or are continuing to violate any provision of the Securities Act or the Rules.

If the Administrator determines that violations of the Securities Act and/or Rules have occurred, the Administrator may pursue any of the courses of action set forth in the Act or as otherwise authorized by law. If, however, the facts indicate that no corrective action by the Administrator is warranted, the special examination will be closed.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 21st day of February, 2002.

(SEAL)

Irving L. Faught

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