

**STATE OF ARKANSAS**  
**SECURITIES DEPARTMENT**

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IN THE MATTER OF

ARGENT SECURITIES, INC.,  
TIMOTHY WAYNE McAFEE, Designated  
Principal, and  
ERIC T. GELFAND, Registered  
Representative

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No. 99-042-S

**CONSENT ORDER**

This consent order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101, *et seq.* (Repl. 1994), (the Act), the Rules of the Arkansas Securities Commissioner promulgated under the Act (the Rules) and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201, *et seq.* (Repl. 1996). This order is entered into with the consent of the separate party, Argent Securities, Inc. (Argent), in full settlement of all claims brought against it by the Staff of the Arkansas Securities Department (the Staff) in its complaint, which was filed on 7 July 1997 and amended on 19 June 1998, and in full settlement of claims that could be made by the Staff as a result of an order issued by the Securities Division of the Utah Department of Commerce on 2 November 1998 (the Utah Order). Argent waives its right to a formal hearing and, without admitting or denying the allegations of the Staff's complaint, but solely for the purpose of settlement of these proceedings, consents to the entry of this order and agrees to abide by its terms.

**FINDINGS OF FACT**

1. Numerous allegations of fact were set out in the complaint at length which, if proven, would show violations of the Act and failure to supervise. While the Staff is convinced that it could prove these allegations, Argent is equally convinced that it could disprove them. In accordance with Rule 601.04(D) and Ark. Code Ann. § 23-42-308(h) (Supp. 1997), which provide that nothing shall prevent informal disposition by stipulation or settlement, the parties to this consent order, Argent and the Staff, stipulate that the facts are such that the settlement set out in this consent order is in the best interests of the parties and the public. The Staff and Argent stipulate that the persons responsible to supervise agents and the agent which are part of the allegations in the complaint ceased being associated with Argent by 12 August 1997.

**LAW**

2. Ark. Code Ann. § 23-42-308(a)(2)(G) (Supp. 1997) provides that the Commissioner may by order suspend or revoke any registration of a registrant upon required findings.
3. Ark. Code Ann. § 23-42-308(a)(2)(J) (Supp. 1997) provides that the Commissioner may by order deny, suspend or revoke any registration of a broker-dealer upon finding a failure to reasonably supervise its agents.

**CONCLUSIONS OF LAW**

4. The findings of fact set forth in paragraph 1 support the conclusion that this order is in the public interest.

**OPINION**

5. It is the opinion of the Commissioner that this order is in the public interest.

**CONSENT**

Argent, without admitting or denying any wrongdoing or violation of the Act or Rules and without admitting or denying the correctness of the Findings of Fact and Conclusions of Law, consents to the entry of this order.

**UNDERTAKING**

Argent agrees to voluntarily withdraw its registration to do business in Arkansas as a broker-dealer and thereby cease doing business in Arkansas for a period of three and one-half (3 ½) years and to donate \$5,000 to the Investor Protection Trust earmarked for investor education in Arkansas.

**ORDER**

IT IS THEREFORE ORDERED THAT the broker-dealer registration of Argent be withdrawn as per its undertaking and that such undertaking be enforced as to Argent, beginning this date, and that the complaint filed by the Staff on 7 July 1997 and amended on 19 June 1998 and all possible proceedings that could in any way be conducted in pursuit of that complaint and any complaint which could have been instituted relating to the Utah Order be concluded by the entry of this order. Nothing in this order shall be construed as to prevent the transaction of business by Argent with institutional customers in Arkansas without registration as a broker-dealer, as permitted by Ark. Code Ann. § 23-42-102(3) (Repl. 1997).

WITNESS MY HAND AND SEAL this 13th day of September, 1999.



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MAC DODSON  
SECURITIES COMMISSIONER

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L. Phillips Reames, Chairman  
Agent Securities, Inc.