

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF
EUGENE FORSYTH d/b/a FORSYTH
RESEARCH AND DEVELOPMENT
CENTER

CEASE AND DESIST

ORDER NO. 99-060-S

CEASE AND DESIST ORDER

The Arkansas Securities Department (the "Department") has received information and has in its possession certain evidence which indicates that EUGENE FORSYTH d/b/a FORSYTH RESEARCH AND DEVELOPMENT CENTER has violated provisions of the Arkansas Securities Act (the "Act"), codified at Arkansas Code Annotated §§ 23-42-101, et seq. This Order is entered into pursuant to Arkansas Code Ann. § 23-42-209 and the Arkansas Administrative Procedure Act, codified at Arkansas Code Ann. §§ 25-15-201, et seq.

FINDINGS OF FACT

1. Eugene Forsyth ("Forsyth") is a resident of Austin, Arkansas and is or has in the past done business as Forsyth Research and Development Center with his principal place of business located at 3210 Highway 319 West, Austin, Arkansas.
2. On or about December 17, 1997, Forsyth solicited and received from a resident of Arkansas the sum of \$25,000 in consideration of a 5% ownership interest in a "surgical drill" and "dry wall screw gun", supposedly invented or developed by Forsyth. A copy of the "Bill of Sale" purporting to convey such interest is attached hereto and incorporated herein as Exhibit "A".
3. Forsyth is not registered as a broker-dealer or agent with the Department, nor is he exempted from the registration provisions of the Act.
4. The interests in the surgical drill and dry wall screw gun are not registered as securities, nor are they exempt from the registration provisions of the Act.

CONCLUSIONS OF LAW

5. The sale of interests in the surgical drill and dry wall screw gun as evidenced in Exhibit 1 constitutes the sale of a security, and is a violation of Arkansas Code Ann. § 23-42-501 due to the fact that such securities are not registered under the Act, exempt from the registration provisions of the Act, nor covered securities.
6. The sale of such securities by Forsyth constitutes a violation of Arkansas Code Ann. § 23-42-301 due to the fact that he is not registered as broker-dealer or agent in this State.

OPINION

The provisions of the Act governing registration and exemption of securities, as well as those provisions governing registration of broker-dealers and agents, exist for the protection of the investor so that informed investment decisions may be made based upon full disclosure of all pertinent information. When the provisions of the Act are circumvented, this goal is thwarted. The failure of Forsyth to comply with the registration provisions of the Act and the resultant danger to the investing public justify the immediate halt to any further sale of securities by or on behalf of Forsyth.

ORDER

It is therefore ORDERED that EUGENE FORSYTH, individually and d/b/a FORSYTH DEVELOPMENT AND RESEARCH CENTER, and any officers and agents thereof immediately cease and desist from any offers to sell, sales, or promotion of sales of securities, and specifically ownership interests as described in Exhibit 1 hereto, in this State until such time as such securities are properly registered or exempt from the registration provisions of the Act and the persons offering or selling such securities are properly registered under the Act.

IT IS SO ORDERED this 22nd day of September, 1999.



MAC DODSON
SECURITIES COMMISSIONER



