

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
THE ABERNATHY TECHNOLOGY))
RESEARCH INSTITUTE, INC.)
)
 RESPONDENT)

ADMINISTRATIVE ORDER
NO. CD-2001-00 36

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. THE ABERNATHY TECHNOLOGY RESEARCH INSTITUTE, INC. ("RESPONDENT"), is represented to be a Delaware corporation, registered as a BD in the state of New York, et al, with a business address of Wall Street Tower, 20 Exchange Place, Suite 3800, New York, NY 10005.

STATEMENT OF FACTS

2. On March 19, 2001, RESPONDENT filed an application for registration with the Commission as a dealer in the state of Alabama. Included in the application was a statement that **"The Abernathy Technology Research Institute has not and will (not) transact any securities business until properly licensed."** On April 9, 2001, a letter was dispatched to RESPONDENT with advice that the application was deficient inasmuch as an attested balance sheet was not furnished. RESPONDENT was advised that failure to file a complete application may result in denial of the

application and that the notification constituted an Order of the Commission deferring the registration effective date until such time as all deficiencies were resolved and an Order of Registration issued. On May 4, 2001, the proper balance sheet was received by the Commission.

3. On April 9, 2001, a visitation letter was dispatched to RESPONDENT's clearing firm, Banc of America Securities ("Banc"), for all account information, including the names, addresses and phone numbers of Alabama clients of RESPONDENT, and documents, including transaction reports detailing transactions and date of transactions, if any.

4. On April 30, 2001, the Commission received transaction information from Banc reflecting RESPONDENT has 3 accounts opened with 2 Alabama residents, DAXTON GOFORTH, Tuscaloosa, AL/Birmingham, AL, account #746-70240 (**27 buys and 28 sales during the period 07/02/99 to 12/04/00**); Estate of JAMES R. OWEN, III, Gulf Shores, AL, account #746-60033 (no indication of transactions in Alabama), and Guarantee & Trust Company, FBO DAXTON GOFORTH, Birmingham, AL, account #746-90163 (no transactions).

5. Review of the files of the Commission, disclosed no record of registration or exemption from registration of RESPONDENT as a dealer or agent in the state of Alabama.

CONCLUSIONS OF LAW

6. RESPONDENT is not registered nor exempt from registration as a dealer or agent in the state of Alabama, and has effected securities transactions with a resident of the state of Alabama.

7. Transacting business in the state of Alabama as a dealer or agent, without benefit of registration or exemption from registration, is a violation of Section 8-6-3(a), Code of Alabama 1975.

8. RESPONDENT has filed an application for registration which, as of its effective date, or as of any date after filing, was incomplete or contained a false statement when advising the Commission that **"The Abernathy Technology Research Institute has not and will not transact any securities business until properly licensed."**

9. The filing of an application for registration, containing a false statement, is a violation of Section 8-6-3(j)(1), Code of Alabama 1975.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENT immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 12 day of June, 2000.



ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line.

JOSEPH P. BORG
Director