

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

MILLER JOHNSON STEICHEN	)	ADMINISTRATIVE ORDER NO. CD-2008-0015
KINNARD, INC.	)	
WILLIAM M. GOBLIRSCH	)	
	)	
<u>RESPONDENTS</u>	)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. MILLER JOHNSON STEICHEN KINNARD, INC. ("MJSK"), Central Registration Depository (CRD) #694, is represented to be a Minnesota domiciled broker dealer with a business address of 60 South Sixth Street, Suite 3000, Minneapolis, Minnesota 55402. Commission records reflect that MJSK was previously registered as a broker-dealer in the State of Alabama on August 27, 1987 and terminated its registration on December 31, 2006.

2. WILLIAM M. GOBLIRSCH, JR. ("GOBLIRSCH"), CRD #223375, is represented to be the Chief Compliance Officer and a control person of MJSK, with a business address of 60 South Sixth Street, Suite 3000, Minneapolis, Minnesota 55402. Commission records reflect that GOBLIRSCH has never been registered as a broker-dealer agent in the State of Alabama.

STATEMENT OF FACTS

3. On January 10, 2008, MJSK reapplied for broker dealer registration via electronic application through the CRD.

4. On January 17, 2008, Commission staff issued a deficiency letter to MJSK requesting information concerning prior activity in the state of Alabama, if any, and also issued a visitation letter via certified mail to MJSK's clearing firm, Southwest Securities, Inc. ("Southwest").

5. On January 25, 2008, MJSK submitted a request for withdrawal of its broker dealer application via CRD.

6. On January 29, 2008, Commission staff received a Notice of Sale of Securities Pursuant to Rule 506 of Regulation D by Harland Medical Systems, Inc ("Harland") from the law firm of Leonard, Street and Deinard. Form D identified MJSK as the selling broker dealer for \$100,000 of convertible notes and warrants sold in the state of Alabama to an accredited investor.

7. On February 4, 2008, a deficiency letter was issued to Harland advising that the filing was deficient because MJSK was not a registered broker/dealer in the state of Alabama.

8. On February 12, 2008, Commission staff received a list of MJSK's Alabama accounts from Southwest. Southwest's documentation reflected three (3) sales of securities effected on behalf of two (2) Alabama residents from May 4, 2007 and May 9, 2007 with miscellaneous fees received of \$67.15.

9. On February 15, 2008, Harland submitted a response concerning MJSK's lack of registration stating that MJSK represented to Harland that MJSK was a registered broker/dealer in Alabama at the time of Harland's offering to the Mobile, Alabama investor, which closed on January 15, 2008 (after MJSK filed its application for registration and before MJSK filed its application to withdraw.)

10. On February 25, 2008, GOBLIRSCH advised a Commission staff member via telephone that MJSK did not respond to the January 17, 2008 letter because the firm is no longer in business. GOBLIRSCH stated that he would send written confirmation of that fact to the Commission but did not intend to respond to the staff's January 17, 2008 letter or answer the staff's correspondence of January 17, 2008.

11. On February 29, 2008, Commission staff issued a continued deficiency letter via facsimile and U.S. mail to Harland. The deficiency letter requested the names of the Alabama investor(s), their addresses, date of sales, principal amount of sale, quantity, and amount of commissions paid to MJSK.

12. On March 7, 2008, Commission staff received Harland's response stating that the January 15, 2008 sale referenced in paragraph 9 to the Mobile, Alabama investor was of a \$100,000 8% convertible note of Harland and that the investor also received a warrant to purchase 6,666 shares of Harland's stock. Harland's response also stated that MJSK received \$10,000 in commission and that MJSK represented to Harland at the time of the sale that MJSK was an Alabama registered broker dealer.

#### CONCLUSIONS OF LAW

13. Pursuant to Code of Alabama 1975, § 8-6-3(a), it is unlawful for any person to transact securities business in the state of Alabama as a dealer or agent for securities unless properly registered under this Article. MJSK effected securities transactions for three (3) Alabama residents from May 4, 2007 to January 15, 2008, without benefit of broker-dealer registration in the state of Alabama. Furthermore, MJSK effected one limited offering transaction in the amount of \$100,000 for Harland on behalf of one Alabama investor without benefit of broker dealer registration.

14. Pursuant to Code of Alabama 1975, § 8-6-3(a), it is unlawful for any person to transact securities business in the state of Alabama as a dealer or agent for securities unless properly registered under this Article. GOBLIRSCH, as agent and/or Chief Compliance Officer, either transacted the trades or failed to properly supervise the employees of MSJK who transacted the trades by allowing securities transactions to be effected with Alabama residents without registration and/or without the registration of MJSK 's agents.

15. Pursuant to Code of Alabama 1975, § 8-6-17, it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of a material fact. MJSK represented to Harland that it was an Alabama

registered broker dealer in violation of § 8-6-17.

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

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

**ACCORDINGLY, IT IS HEREBY ORDERED** that MILLER JOHNSON STEICHEN KINNARD INC. and WILLIAM M. GOBLIRSCH 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 15<sup>th</sup> day of April, 2008.



ALABAMA SECURITIES COMMISSION  
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BY:

JOSEPH P. BORG  
Director