

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF: )

GOLD COAST SECURITIES INC. )  
TAE P HO )

\_\_\_\_\_  
RESPONDENTS )

ADMINISTRATIVE ORDER  
NO. SC-2003-0016

**SHOW CAUSE 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, has determined as follows.

**RESPONDENTS**

1. Gold Coast Securities, Inc. ("GOLD COAST") has been a securities dealer since May 31, 2001, with a business address of 275 East Hillcrest Drive, Suite 225, Thousand Oaks, CA 91360-8241.

2. Tae P. Ho ("HO"), has been the Chief Executive Office of GOLD COAST since January 2001, with a business address of 275 East Hillcrest Drive, Suite 225, Thousand Oaks, CA 91360-8241.

**STATEMENT OF FACTS**

3. On or about January 10, 2003, GOLD COAST filed an application for registration as a Dealer with the Alabama Securities Commission.

4. On February 4, 2003, Commission staff sent GOLD COAST and HO a letter informing the respondents that the January 10, 2003 application for registration was materially deficient with respect to, among other things, prior securities transactions with Alabama residents by GOLD COAST. The February 4, 2003 letter to HO also that a deficiency could constitute the basis for a denial of registration as a dealer in Alabama.

5. On or about April 25, 2003, HO responded to the Commission's February 4, 2003 deficiency letter as the President of GOLD COAST. Paragraph 3 of HO's April 25, 2003 letter stated that GOLD COAST had not engaged in any prior securities activities in Alabama.

6. In its application for Dealer registration GOLD COAST identified Pershing LLC ("PERSHING") as the entity responsible for clearing securities trades on behalf of GOLD COAST. On or about May 12, 2003, Commission staff received documents from PERSHING disclosing the existence of GOLD COAST account #6GF-001746 in the name of a Birmingham, Alabama resident. The documents from PERSHING also disclosed that GOLD COAST account #6GF-001746 was opened on May 8, 2002.

7. The PERSHING documents included the GOLD COAST monthly statements for account #6GF-001746. The July 2002 monthly statements for account #6GF-001746 listed a Birmingham, Alabama address for the account and reflected trades in the account on July 5, 2002, July 11, 2002 and July 19, 2002.

8. On or about May 14, 2003, Commission staff sent GOLD COAST and HO a second letter directing the respondents to provide a response detailing; the names addresses of all Alabama clients, the dates the accounts were opened and all transaction information concerning the accounts of Alabama residents. The May 14, 2003 letter again informed GOLD COAST and HO that the application for registration was still deficient and further directed the respondents to provide an amendment resolving the deficiencies. To date, neither HO nor GOLD COAST has complied or responded in any way, to the May 14, 2003 deficiency letter.

### **CONCLUSIONS OF LAW**

9. That, as of the date of this Order, the application for the registration of GOLD COAST as a Dealer in Alabama is materially deficient with respect to prior sales to Alabama residents.

10. That pursuant to Section 8-6-3(j)(1), Code of Alabama 1975, the Commission may, by Order, deny any registration, if the Commission finds that the applicant has filed an application for registration which, as of its effective date, was incomplete in any material respect.

11. That the failure on the part of HO and GOLD COAST to respond or comply with the Commission's second Deficiency letter of May 14, 2003, constitutes a willful failure on the part of the respondents to comply with a rule or order of the Commission.

12. That pursuant to Section 8-6-3(j)(2), Code of Alabama 1975, the Commission may, by Order, deny any registration, if the Commission finds that the applicant has willfully failed to comply with any rule or Order under the Alabama Securities Act.

13. That HO's April 25, 2003 response to the Commission's first deficiency letter of February 4, 2003, was materially misleading with respect to prior sales to Alabama residents by GOLD COAST.

14. That pursuant to Section 8-6-3(j)(1), Code of Alabama 1975, the Commission may, by Order, deny any registration, if the Commission finds that the applicant has filed an application for registration which, as of its effective date, contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.

15. That by virtue of the activity set forth in paragraphs 6 and 7 above, GOLD COAST has conducted securities transactions in Alabama without being registered as a Dealer and therefore committed willful violations of Section 8-6-3(a) Code of Alabama 1975.

16. That pursuant to Section 8-6-3(j)(2), Code of Alabama 1975, the Commission may, by Order, deny any registration, if the Commission finds that the applicant has willfully violated any provision of the Alabama Securities Act.

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

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

**ACCORDINGLY, IT IS HEREBY ORDERED** that GOLD COAST SHOW CAUSE to the Commission, within 28 days of the date of this Order, why its application for registration as a dealer should not be DENIED in the state of Alabama.

Entered at Montgomery, AL, this 1<sup>st</sup> day of August, 2003.



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. A long, thin vertical line extends downwards from the signature area.

JOSEPH P. BORG  
Director