

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of )  
Finance, Securities Bureau, )  
Complainant, )  
)  
)  
vs. )  
)  
FLOYD CLARK GAMBREL, JR. )  
Respondent. )

Docket No. 1998-7-126  
AGREEMENT AND ORDER

The Director of the Department of Finance has instituted an investigation into the conduct of Respondent Floyd Clark Gambrel, Jr., (“Gambrel”). Pursuant to said investigation it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 *et seq.* have occurred. The Director and Respondent have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered, and the Respondent consent to the entry of this Agreement and Order.

RESPONDENT

1. Respondent Gambrel was registered with the NASD and the state of Idaho as a salesman from December 8, 1994 through November 17, 1997.
2. Respondent Gambrel was employed by broker-dealer World Marketing Alliance (“WMA”) from April, 1994 through November, 1997. WMA has been registered as a broker dealer with the NASD and the state of Idaho since January 31, 1994, and February 10, 1994, respectively.

### FINDINGS OF FACT

3. From March 1997 through February 1998, Respondent solicited eleven individuals to invest a total of \$412,500 in Buckhorn Financial Services (“Buckhorn”). The investments in Buckhorn were evidenced by joint partnership agreements.

4. The joint partnership agreements issued to Idaho investors are investment contracts and constitute securities as defined in Idaho Code §30-1402 (12).

5. Respondent received commissions of approximately \$9,399 for referring investors to Buckhorn.

6. Buckhorn made interest payments as contractually agreed until February 1998, after which time Buckhorn defaulted on all funds owed to investors.

7. Buckhorn is not currently registered to sell securities in the state of Idaho, and has not previously been so registered.

8. Respondent did not have approval from WMA to offer or sell investments in Buckhorn.

9. Respondent did not disclose to WMA any outside income received for referring investors to Buckhorn.

### FINDINGS OF VIOLATIONS

10. IDAPA 12.01.08.081 (Rule 81) pursuant to the Idaho Securities Act addresses “Notification of Outside Business Activities–Selling Away”, as follows:

Any salesman or investment adviser representative associated with a broker-dealer or investment adviser registered under this Act shall not engage in business activities, for which he receives compensation either directly or

indirectly, outside the scope of this regular employment unless he has provided written notice to his employer

11. Respondent violated Rule 81 in that he received compensation for referring clients to Buckhorn without advising WMA of such activities.

12. Idaho Code §30-1416 provides that it is unlawful for any person to sell or to offer to sell any security in this state, except securities exempt under §30-1434, Idaho Code, or those sold in transactions exempt under §30-1435, Idaho Code, unless such security is registered by notification, coordination or qualification under this Act.

13. Respondent violated Idaho Code §30-1416 in that he sold unregistered securities in Idaho.

14. Violation of Idaho Code §30-1413(2) provides for the denial, suspension or revocation of the registration of a salesman who has failed to comply with any provision of the Idaho Securities Act (the Act) or any rule under the Act.

#### SANCTIONS

15. Respondent agrees to comply with all provisions of the Idaho Securities Act in the future.

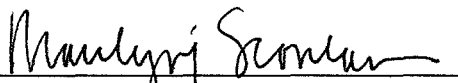
16. Respondent is prohibited from claiming the availability of any exemption relating to offering or selling securities under the Idaho Securities Act without receiving the prior written consent of the Director.

17. Respondent agrees to immediately discontinue all securities activities in Idaho until appropriate registration and licensing is obtained.

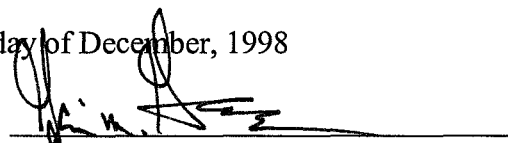
18. Respondent acknowledges and agrees that Complainant may use the violations alleged herein against Respondent in any subsequent proceeding, in the event that Respondent violates this Order or the Idaho Securities Act during the sixty months following the execution of the Order.

DONE AND DATED at Eden, Idaho this 3 day of December, 1998.

  
FLOYD CLARK GAMBREL, JR.

  
MARILYN T. SCANLAN  
Bureau Chief, Securities Bureau  
Department of Finance  
State of Idaho

IT IS SO ORDERED This 9<sup>th</sup> day of December, 1998

  
GAVIN M. GEE  
Director  
Department of Finance

