

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

STATE OF IDAHO, Department of
Finance, Securities Bureau,
Complainant,

vs.

BIDWELL & COMPANY,
Respondent.

Docket No. 2000-7-35

AGREEMENT AND ORDER

The Director of the Department of Finance has investigated the securities activities of Respondent Bidwell & Company. 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. Respondent consents to the entry of this Agreement and Order.

RESPONDENT

1. Bidwell & Company ("Bidwell") has been registered with the NASD as a broker-dealer since November 10, 1981. Respondent Bidwell has been a registered broker-dealer in Idaho since February 9, 1987.

FINDINGS OF FACT

2. On December 8, 1999, the Department received a complaint from an Idaho resident regarding a stock purchase transaction through Bidwell.

3. The Idaho resident complained that Bidwell e-mailed to him an executed trade notification dated November 28, 1999, advising that his limit order had filled, and then at a later date reneged on the trade notification.

4. Bidwell claims it e-mailed an executed trade notification to the Idaho customer on November 29, 1999. Bidwell received a trade report stating that the customer's order had filled and Bidwell's system automatically sent an e-mail notification to the customer. However, between November 29 and December 1, 1999, Bidwell determined that the executed trade notification e-mailed to the Idaho customer was incorrect and advised the customer of the error on December 1, 1999.

5. Bidwell gives their clients the option of receiving a faxed or e-mailed executed trade notification as a service and so they do not have to wait for a formal confirmation to find out basic information about a trade.

6. The executed trade notification generated by Bidwell includes a notation explaining that the notification is subject to modification according to the rules of the exchange and states that a written confirmation will be provided by US mail. The rules of the exchange refer to SEC Rule 10b-10, where certain types of trades may be affected by variables that will affect the total cost of the trade. Bidwell posts these specific items on a written formal confirmation.

7. Bidwell relies exclusively on formal confirmations and recognizes faxed or e-mailed executed trade notifications as informal notifications that are subject to material changes.

8. Bidwell customers are not advised that faxed or e-mailed trade notifications received before written confirmations are informal and subject to material changes.

FINDINGS OF VIOLATIONS

9. Idaho Code §30-1403(2) provides that 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 or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

10. Respondent violated Idaho Code §30-1403(2) in that it did not adequately disclose to Idaho clients that an executed trade notification received prior to the corresponding written confirmation is an informal notification and as such may not be relied upon to make investment decisions.

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

REMEDIES


8. Respondent admits the allegations contained in this Agreement and Order.

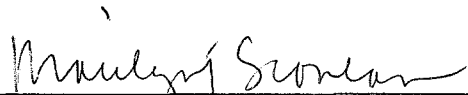
9. Respondent agrees to honor the terms of a faxed or e-mailed executed trade notification when subsequent securities transactions are initiated as a result of information provided in the executed trade notification.

10. Respondent Bidwell agrees to comply with the provisions of the Idaho Securities Act in future securities transactions.

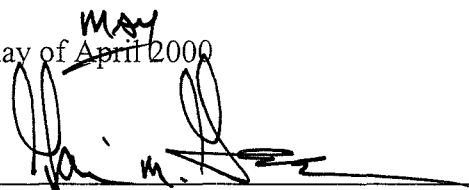
DONE AND DATED at Boise, Idaho this 26 day of April 2000.

BIDWELL & COMPANY

By: 
Name: Kevin Peck
Title: Compliance Officer


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

IT IS SO ORDERED This 4th day of May 2000


GAVIN M. GEE
Director of Finance

