

STATE OF MAINE  
OFFICE OF SECURITIES  
121 STATE HOUSE STATION  
AUGUSTA, ME 04333

IN RE

Acument Securities, Inc., Robert T. Angle,  
Thomas F. White, and William M. McCarty

Order to Cease and  
Desist and to Bar  
McCarty from  
Association  
02-024-CDO  
02-024-BAR

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Acument Securities, Inc. ("Acument") (CRD #7661)<sup>1</sup> is a corporation incorporated pursuant to the laws of California and has its principal place of business in San Francisco, California.
2. Robert T. Angle ("Angle") (CRD # 811495) was at all material times the President and Chief Executive Officer of Acument. He is also a stockholder and registered representative of Acument and was licensed as a sales representative in the State of Maine. Angle's last known residence was in San Francisco, California.
3. Thomas F. White ("White") (CRD # 465390) was at all material times the sole Trustee of the Thomas F. White 1991 Trust, which is the majority owner of the Acument Holding Company, Inc., which is the majority owner of Acument. He is also a stockholder and registered representative of Acument. White's last known residence was in San Francisco, California.
4. William M. McCarty ("McCarty") (CRD #501481) was at all material times an employee and sales representative of Acument whose last known residence was in San Francisco, California.
5. On or about April 20, 1999, Acument submitted an application to the Office of Securities<sup>2</sup> for the State of Maine ("Office of Securities") for McCarty to be licensed as a sales representative in Maine.

<sup>1</sup> Prior to September 7, 2001, Acument Securities, Inc. was known as Thomas F. White & Co., Inc.

<sup>2</sup> On September 21, 2001, the name of the Department of Professional and Financial Regulation, Bureau of Banking, Securities Division, was changed to the Department of Professional and Financial Regulation, Office of Securities.

6. By letter dated May 17, 1999, Acument informed the Office of Securities that McCarty did not wish to pursue licensing in Maine. Acument enclosed a copy of a Form U-5, Uniform Termination Notice for Securities Industry Registration, with its letter indicating the termination of McCarty's application for licensing in Maine. McCarty's application for licensing in Maine was terminated without registration on May 18, 1999.
7. On or about July 23, 2000, Acument submitted an application to the Office of Securities for McCarty to be licensed as a sales representative in Maine.
8. The Office of Securities licensed McCarty as a sales representative with Acument in Maine effective October 25, 2000.
9. Commencing on April 8, 1999, McCarty transacted business as a sales representative on at least 18 occasions prior to October 25, 2000, for two Southport, Maine, residents.
10. Commencing on July 20, 1999, McCarty transacted business as a sales representative on at least 29 occasions prior to October 25, 2000, for another Southport, Maine, resident.
11. Commencing on November 2, 1999, McCarty transacted business as a sales representative on at least 12 occasions prior to October 25, 2000, for two Brunswick, Maine, residents.
12. Commencing on December 1, 1999, McCarty transacted business as a sales representative on at least 24 occasions prior to October 25, 2000, for two Bristol, Maine, residents.
13. Commencing on August 7, 2000, McCarty transacted business as a sales representative on at least 2 occasions prior to October 25, 2000, for another Brunswick, Maine, resident.
14. Commencing on August 9, 2000, McCarty transacted business as a sales representative on at least 1 occasion prior to October 25, 2000 for another Brunswick, Maine, resident.
15. Commencing in or about August, 2000, McCarty transacted business as a sales representative on at least 4 occasions prior to October 25, 2000 for another Brunswick, Maine, resident.
16. Commencing in or about February, 2000, McCarty transacted business as a sales representative on one or more occasions prior to October 25, 2000 for a Newcastle, Maine resident.

17. Commencing in or about July, 2000, McCarty transacted business as a sales representative on one or more occasions prior to October 25, 2000 for a Holden, Maine resident.
18. Commencing in or about July, 2000, McCarty transacted business as a sales representative on one or more occasions prior to October 25, 2000 for another Holden, Maine resident.
19. Prior to being licensed as a sales representative in Maine, McCarty caused at least 4 Maine residents with whom he was transacting business to use McCarty's residential address as their mailing address.
20. It is unlawful for any person to transact business in the State of Maine as a sales representative unless licensed or exempt from licensing pursuant to 32 M.R.S.A. § 10301(1).
21. According to the records of the Office of Securities, McCarty was not licensed to transact business in the State of Maine as a sales representative before October 25, 2000, and the Office of Securities is not aware of any exemption from licensing for which McCarty might have qualified.
22. McCarty transacted business as an unlicensed sales representative in the State of Maine on at least 93 occasions in violation of 32 M.R.S.A. § 10301(1) when he purchased and sold securities on behalf of Maine residents prior to October 25, 2000.
23. When McCarty violated 32 M.R.S.A. § 10301(1), he engaged in unlawful, unethical or dishonest conduct or practice in the securities business, pursuant to 32 M.R.S.A. § 10313(1)(G).
24. When McCarty caused Maine residents to use his residential address as a mailing address prior to being licensed as a sales representative in Maine, he engaged in unlawful, unethical or dishonest conduct or practice in the securities business, pursuant to 32 M.R.S.A. § 10313(1)(G) and intentionally and knowingly violated 32 M.R.S.A. § 10301(1).
25. On June 24, 2002, the Office of Securities issued a Notice of Intent to Issue a Cease and Desist Order and to Impose a Civil Penalty against McCarty and to Bar McCarty from Association, and to Revoke the Broker-Dealer License of Acument, and to Impose a Civil Penalty upon Acument ("the Notice of Intent").
26. The Notice of Intent was served and all parties were notified of their right to request a hearing within thirty (30) calendar days from the date of entry of the Notice of Intent, in accordance with 32 M.R.S.A. § 10708.

27. On October 8, 2002, the Office of Securities issued an Amended Notice of Intent to Issue a Cease and Desist Order and to Impose a Civil Penalty against Acument, Angle, White and McCarty, to Bar McCarty from Association, to Revoke the Broker-Dealer License of Acument, to Censure or Revoke the Sales Representative License of Angle, and to Censure or Bar White from Association ("the Amended Notice of Intent").
28. The allegations against Acument, White and Angle have been resolved pursuant to a Consent Agreement dated February 11, 2003, between Acument, White, Angle and the Administrator.
29. To date, the Office of Securities has not received a request for hearing from McCarty.
30. For the reasons stated above, the Administrator reasonably believes that McCarty has engaged, is engaging or is about to engage in acts and practices constituting violations of the Revised Maine Securities Act.

#### FINAL ORDER

NOW THEREFORE, it is ordered that McCarty immediately cease and desist from violating any provisions of The Revised Maine Securities Act.

NOW THEREFORE, it is further ordered that McCarty is barred from association with any issuer, broker-dealer or investment adviser in the State of Maine.

Pursuant to 32 M.R.S.A. § 10708, this is a final order, entered after notice and opportunity for hearing. Pursuant to 32 M.R.S.A. § 10709, a party to this order may obtain judicial review of the order in Kennebec Superior Court by filing a petition within thirty (30) calendar days after receipt of the order in accordance with 5 M.R.S.A. § 11001 et seq. and Rule 80C of the Maine Rules of Civil Procedure.

Date: April 16, 2003

Christine A. Bruenn

Christine A. Bruenn  
Securities Administrator

Reviewed by:

Date: April 15, 2003

Bonnie E. Russell

Bonnie E. Russell  
Assistant Securities Administrator

Presented by:

Date: April 15, 2003

Christian D. Van Dyck

Christian D. Van Dyck  
Investigator/Examiner