

ADMINISTRATIVE PROCEEDING
FILE NO. 3-12352

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 3, 2006

In the Matter of :
: ORDER ON MOTION
STEVEN A. GILMAN, :
ARBOR SECURITIES, LTD., and :
FINANCIAL LINKS, INC. :

The Securities and Exchange Commission (Commission) initiated this proceeding on July 3, 2006, with an Order Instituting Proceedings (OIP). The Commission directed that the OIP be served upon Respondents "personally or by certified mail." A hearing is currently scheduled to take place on August 7, 2006.

On August 1, 2006, the Division of Enforcement (Division) filed a Motion to Continue Hearing, and Notice of Filing of Returns of Service for Steven A. Gilman (Gilman), Arbor Securities, Ltd. (Arbor Securities), and Financial Links, Inc. (Financial Links). The motion requests that the hearing be postponed to complete service of the OIP and to allow the Division time to file a dispositive motion.

A telephonic prehearing conference will take place on Thursday, September 7, 2006, at 10:00 a.m. E.D.T. The Division shall make arrangements for the call. For good cause shown, the hearing is postponed to a date to be determined at the prehearing conference. See 17 C.F.R. § 201.161.

The Division may not file a dispositive motion as to any Respondent until such time as it has demonstrated proper service of the OIP on all Respondents. See 17 C.F.R. §§ 201.155(a)(2), .220(f), .250(a). As matters now stand, there is no competent evidence that any Respondent has yet received the OIP in a manner that complies with the Commission's directive for service "personally or by certified mail." Accordingly, the 210-day period for issuing an Initial Decision has not yet started to run.

The Office of the Secretary sent the OIP to Gilman by certified mail on July 3, 2006. However, the record does not contain a signed certified mail receipt. The Division represents that it delivered the OIP to Gilman via Federal Express on July 11, 2006. However, the Federal Express tracking record attached to the motion indicates that Federal Express did not obtain a confirmation signature for the package. Specifically, the tracking record states, "Signed for by: Signature Release on file." The Division does not state that Gilman is attempting to evade service. Nothing in the record demonstrates that the San Francisco, California, address used is current. Consequently, the materials the Division sent to Gilman via Federal Express do not


constitute valid service, either. The Division and the Office of the Secretary shall continue in their efforts to effect service of the OIP upon Gilman.

The Division states that both Arbor Securities and Financial Links were served in care of T. Gene Gilman by certified mail on July 10, 2006. The confirmation receipts for both certified mailings display the name "Padula" in the signature portion. The Division also represents that Arbor Securities and Financial Links were served in care of T. Gene Gilman via Federal Express on July 11, 2006. The tracking records show that "M. March" signed for both Federal Express packages. The Division has offered no evidence or explanation as to why "Padula" and/or "M. March" should be deemed to be sub-agents of Arbor Securities and Financial Links for purposes of compliance with Rule 141 of the Commission's Rules of Practice.

The OIP states that Financial Links was a North Carolina corporation that was registered as a broker and dealer. Presumably, the corporate records of the state of incorporation and the broker-dealer registration records clearly identify the individual(s) authorized to accept service of process on behalf of Financial Links. The OIP also identifies Arbor Securities as a Bahamian corporation. The OIP must be served on an officer or managing or general agent of Arbor Securities, pursuant to Rule 141(a)(2)(ii) of the Commission's Rules of Practice. The Division shall provide copies of the relevant corporate documents of Arbor Securities and Financial Links for the record. If the corporate charters have been revoked or have lapsed, the Division shall so state.

When the Division believes that it has valid service, it shall file a statement for the record indicating the date, place, and manner of service, and an explanation for the service address(es) used. If service abroad is necessary, the Division must submit evidence that the method of service used is not prohibited by the law of the foreign country, in compliance with Rule 141(a)(2)(iv) of the Commission's Rules of Practice.

IT IS SO ORDERED.



James T. Kelly
Administrative Law Judge