

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

ADMINISTRATIVE PROCEEDING
File No. 3-12352

In the Matter of

**STEVEN A. GILMAN, ARBOR
SECURITIES, LTD., and
FINANCIAL LINKS, INC.,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTIONS 203(e) AND
203(f) OF THE INVESTMENT ADVISERS
ACT OF 1940 AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Steven A. Gilman (“Gilman”); pursuant to Section 15(b) of the Exchange Act and Section 203(e) of the Advisers Act against Arbor Securities, Ltd. (“Arbor Securities”); and pursuant to Section 15(b) of the Exchange Act against Financial Links, Inc. (“Financial Links”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS AND THE PERMANENT INJUNCTION

1. Gilman, 37 years old, is a resident of San Francisco, California.
2. Arbor Securities was incorporated in the Bahamas in November 1998, and headquartered in Needham, Massachusetts. It is not registered with the Commission as a broker-dealer or as an investment adviser, but operated as both. From December 1998 through October

2003, Gilman was the Manager, Secretary and President of Arbor Securities, a purported “international business company.” Arbor Securities engaged in the business of effecting transactions in securities for the accounts of other persons, and engaged for compensation in the business of advising clients on investing in securities.

3. From 1999 through November 2003, Financial Links, a North Carolina corporation, was headquartered in Needham, Massachusetts. During that period, Financial Links was registered with the Commission as a broker-dealer.

4. On June 19, 2006, a default judgment was entered against Gilman permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from aiding and abetting violations of Sections 15(a) and 15(c) of the Exchange Act, and aiding and abetting Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. T. Gene Gilman, et al., Civil Action Number 05-10512-REK, in the United States District Court for the District of Massachusetts.

5. On June 19, 2006, a default judgment was entered against Arbor Securities permanently enjoining it from future violations of Section 17(a) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. T. Gene Gilman, et al., Civil Action Number 05-10512-REK, in the United States District Court for the District of Massachusetts.

6. On June 19, 2006, a default judgment was entered against Financial Links permanently enjoining it from future violations of Section 17(a) of the Securities Act and Sections 10(b) and 15(c) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. T. Gene Gilman, et al., Civil Action Number 05-10512-REK, in the United States District Court for the District of Massachusetts.

7. The Commission’s complaint alleged that, between December 1998 and October 2003, Gilman and another person solicited approximately \$20 million and misappropriated at least \$14 million from approximately 40 people who invested funds with Arbor Securities. The complaint also alleged that instead of establishing individual accounts and investing clients’ funds in public companies as represented, Gilman, on behalf of Arbor Securities, commingled and transferred customer funds into several foreign and domestic accounts in the name of Arbor Securities, including accounts at Financial Links. From these accounts, Gilman transferred customer funds to himself, to a family member, and to private start-up companies controlled by the family member. The complaint alleged that, in order to conceal these transfers, Gilman, on behalf of Arbor Securities and at the request of another person, generated and sent to customers, fictitious account statements that purported to identify specific stocks held in their supposedly individual brokerage accounts at Arbor Securities. The false account statements also misrepresented cash balances, and falsely stated that transactions in the accounts took place when, in reality, they did not.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against the Respondents pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent Gilman pursuant to Section 203(f) of the Advisers Act; and

D. What, if any, remedial action is appropriate in the public interest against Respondent Arbor Securities pursuant to Section 203(e) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file Answers to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness

or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris
Secretary