

U.S. SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 52354 / August 29, 2005

Investment Advisers Act of 1940
Release No. 2420 / August 29, 2005

Admin. Proc. File No. 3-12019

PROCEEDINGS INSTITUTED AGAINST T. GENE GILMAN

On August 29, 2005, the Securities and Exchange Commission (“Commission”) instituted administrative proceedings 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 T. Gene Gilman, who from November 1998 through October 2003 owned and controlled Arbor Securities, Ltd. (“Arbor Securities”), an unregistered broker-dealer and investment adviser. From 1999 through November 2003, Gilman also owned, controlled and was associated with Financial Links, Inc., which was registered with the Commission as a broker-dealer.

The Division of Enforcement alleges in the Order Instituting Proceedings (“Order”) that on July 18, 2005, Gilman pleaded guilty to felony offenses, including investment advisory fraud under Section 206 of the Advisers Act. The criminal indictment to which Gilman pleaded guilty alleged, among other things, that Gilman was in the business of providing investment advice to investors for fees and commissions, that he received and managed approximately \$20 million of funds on behalf of investors, that he transferred approximately \$11 million of investors’ funds to various bank accounts that he controlled for his own use and purposes, and that he fabricated account statements that falsely represented investor holdings, transactions, and income.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the Respondent an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions are appropriate and in the public interest.

The Order requires the Administrative Law Judge to 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.