

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 29, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12019

In the Matter of

T. GENE GILMAN,

Respondent.

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

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 T. Gene Gilman (“Respondent” or “Gilman”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Gilman, 62 years old, is a resident of Waterville, Maine.
2. From November 1998 through October 2003, Gilman was associated with Arbor Securities, Ltd. (“Arbor Securities”), a purported “international business company” that was incorporated in the Bahamas and headquartered in Needham, Massachusetts, and operated as an unregistered broker-dealer and investment adviser. 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. Gilman owned and controlled Arbor Securities.

3. From 1999 through November 2003, Gilman owned, controlled, and was associated with Financial Links, Inc. (“Financial Links”), a North Carolina corporation headquartered in Needham, Massachusetts. During that period, Financial Links was registered with the Commission as a broker-dealer.

B. RESPONDENT’S GUILTY PLEA IN A CRIMINAL PROCEEDING

1. On July 18, 2005, Gilman pleaded guilty to one felony count of securities fraud in violation of Section 206 of the Advisers Act, Title 15 United States Code, Sections 80b-6(1), 80b-6(2), 80b-6(4), and 80b-17, eighteen felony counts of wire fraud in violation of 18 United States Code Section 1343, and seventeen felony counts of mail fraud in violation of 18 United States Code Section 1341 before the United States District Court for the District of Massachusetts, in United States v. Thurston Gene Gilman, Case No.1:05-CR-10068-RCL.

2. The criminal indictment to which Gilman pleaded guilty alleged, among other things, that from on or about November 1998 to November 2003, Gilman: (a) was in the business of providing investment advice to investors for fees and commissions; (b) offered to and did receive and manage approximately \$20 million of funds on behalf of investors; (c) transferred approximately \$11 million of investors’ funds to various bank accounts that he controlled for his own use and purposes; and (d) fabricated, and directed others to fabricate, account statements that falsely represented investor holdings, transactions, and income.

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 Respondent an opportunity to establish any defenses to such allegations;

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

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) 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 Respondent shall file an Answer 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 Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him 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), 221(f) and 201.310.

This Order shall be served forthwith upon Respondent 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.

Jonathan G. Katz
Secretary