

U.S. SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 54091 / July 3, 2006

Investment Advisers Act of 1940
Release No. 2528 / July 3, 2006

Admin. Proc. File No. 3-12352

PROCEEDINGS INSTITUTED AGAINST STEVEN A. GILMAN, ARBOR SECURITIES, LTD. AND FINANCIAL LINKS, INC.

On July 3, 2006, 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 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”). Gilman, along with another person, from November 1998 through October 2003 controlled Arbor Securities, Ltd. (“Arbor Securities”), an unregistered broker-dealer and investment adviser. From 1999 through November 2003, Gilman also 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 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 (“Order”) that on June 19, 2006, a default judgment was entered against Gilman, Arbor Securities and Financial Links, permanently enjoining them from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The judgment also permanently enjoined Arbor Securities from further violations of Section 15(a) of the Exchange Act, and permanently enjoined Financial Links from further violations of Section 15(c) of the Exchange Act, and enjoined Gilman from aiding and abetting those violations. The judgment also permanently enjoined Arbor Securities from further violations of Sections 206(1) and 206(2) of the Advisers Act and enjoined Gilman from aiding and abetting those violations. The civil action is 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. 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 that the family member controlled. 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.

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.