

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
BRADLEY J. GOODRICH and
ARGURION GROUP LLC d/b/a
AG SECURITIES INVESTMENT MANAGEMENT

PETITION FOR ORDER

Respondents.

File No. S-00117(LX)

The staffs of the Bureau of Licensing & Compliance and the Enforcement Unit of the Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin have conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof allege as follows:

1. Argurion Group LLC (“Argurion”), d/b/a AG Securities Investment Management, is a federal covered investment adviser and Wisconsin notice filer (FA1485) with a last known business address of 1 Parker Place, Suite 615, Janesville, Wisconsin 53545;
2. Argurion has been registered with the United States Securities & Exchange Commission (“SEC”) since December 17, 1999 and noticed filed with Wisconsin since February 4, 2000;
3. National Planning Corporation (“NPC-IA”) is a federal covered investment adviser and Wisconsin notice filer (FA1374) with a last known business address of 401 Wilshire Boulevard, Suite 1100, Santa Monica, California 90401;
4. National Planning Corporation (“NPC-BD”) is also licensed as a broker-dealer (CRD #29604) with the same address at that of NPC-IA;
5. The Tavenner Company (“Tavenner”) is a licensed broker-dealer (CRD #18004) with a last known business address of 4910 Mechanicsburg Road, Springfield, Ohio 45502;
6. Bradley J. Goodrich (“Goodrich”) is a Wisconsin licensed investment adviser representative (C6090) with a last known residence address of 210 South Garfield Avenue, Janesville, Wisconsin 53545;
7. Goodrich was licensed in Wisconsin as an agent (CRD #2316058) for NPC-BD from April 1, 1999 through November 1, 1999;
8. Goodrich was licensed in Wisconsin as an investment adviser representative for NPC-IA from May 10, 1999 through November 1, 1999;

9. Since February 4, 2000, Goodrich has been and is currently licensed as an investment adviser representative with Argurion;

10. On May 1, 2000, Tavenner filed an application for Goodrich to become licensed as a securities agent which application is still under review;

11. From November 2, 1999 through February 3, 2000, Argurion held itself out to individuals in Wisconsin as an investment adviser and charged investment advisory fees to individuals in Wisconsin for investment advisory services provided to those individuals during that time;

12. The actions of Argurion set forth in paragraph 11, in holding itself out as an investment adviser when it had not made the required notice filing, constitute a violation of sec. 551.31 (4m), Wis. Stats.;

13. From November 2, 1999 through February 3, 2000, Goodrich conducted investment advisory business in Wisconsin through Argurion;

14. From November 2, 1999 through February 3, 2000, Goodrich was not licensed as an investment adviser representative in Wisconsin;

15. The actions of Goodrich set forth above, in acting as an investment adviser representative in Wisconsin while he was not licensed, constitutes a violation by Goodrich of sec. 551.31(4)(b), Wis. Stats.;

16. Upon information and belief on or about November 11, 1999, Goodrich, on behalf of Argurion, prepared and delivered a packet of material to individuals in Wisconsin who had been his investment advisory customers at NPC-IA entitled "Y2K Hard Copy Package" (the "Package");

17. The Package contained blank brokerage account transfer forms and an Argurion investment advisory agreement that included an acknowledgement of receipt of Argurion's disclosure statement. The individuals were to sign and return all the forms to Goodrich. A letter, written by Goodrich, accompanying the forms states in part the following: **"...A package of forms is included to sign and return for original account registration, beneficiary designation, etc. to be a hard copy and not scanned. This is to ensure quick and immediate account setup in the event of Y2K glitches ~These items will ensure prompt 1999 Tax reporting, minimize possible Y2K interruptions, and prepare us for the New Millennium."**;

18. No where in the Package does Argurion or Goodrich disclose that this an investment advisory agreement with a different firm or that he is no longer with NPC-IA or NPC-BD;

19. No Argurion disclosure document was provided in the Package;

20. No documents in the Package disclose that Argurion was not yet registered with the SEC at the time Goodrich delivered and requested the agreements to be signed;

21. Upon information and belief, clients were led to believe that they were simply signing hard copy versions of documents that already existed, rather than the truth which was that they were transferring their account to an unlicensed investment advisor and agreeing that they had documents they never received;

22. Goodrich's actions, as described above constitute a device, scheme or artifice to defraud or the act, practice or course of business which operated or would have operated as a fraud or deceit as prohibited by sec. 551.44, Wis. Stats.;

23. Argurion's actions, as described above constitute a device, scheme or artifice to defraud or the act, practice or course of business which operated or would have operated as a fraud or deceit as prohibited by sec. 551.44, Wis. Stats.;

24. Upon information and belief, Goodrich, on behalf of Argurion, delivered a memo dated January 17, 2000, to individuals in Wisconsin which holds out "AG Securities, Inc." as a broker-dealer and that Argurion is the investment advisory firm with which the individuals have a current agreement;

25. AG Securities, Inc. was not incorporated until February 16, 2000;

26. At no time has AG Securities, Inc. been licensed as a broker-dealer in Wisconsin or anywhere else;

27. Pursuant to DFI-Sec 5.06(10), Wis. Adm. Code, Goodrich and Argurion's actions, in recommending to a customer that the customer engage an unlicensed broker-dealer is deemed to be a "dishonest or unethical business practice" or "taking unfair advantage of a customer" and provides a basis, pursuant to sec. 551.34(1)(g), Wis. Stats., for the censure of a licensee or the suspension of a license;

28. At that time, Argurion had not even made a notice filing in Wisconsin nor was Goodrich licensed as an investment adviser representative in Wisconsin.

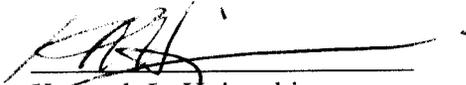
29. On information and belief, NPC-IA terminated its investment advisory agreements with Goodrich's clients effective January 12, 2000. Argurion and Goodrich both billed and collected fees which were due under the NPC-IA contract;

30. On information and belief, after the staff's meeting with Goodrich on May 31, 2000, during which Goodrich was advised that he could not bill for the time period that he was not licensed (November 2, 1999 through February 4, 2000), Goodrich continued to bill and attempt to collect fees for that time period;

31. The above-referenced violations constitute a basis, pursuant to sec. 551.34(1)(b) and (g), Wis. Stats., for the censure of a licensee, or the denial, suspension or revocation of a license;

THEREFORE, the staffs of the Bureau of Licensing & Compliance and the Enforcement Unit of the Bureau of Registration & Enforcement petition the Administrator for the issuance of the attached Order.

DATED this 12 day of January, 2001



Kenneth L. Hojnacki
Director
Bureau of Licensing & Compliance



David A. Cohen
Supervising Attorney
Bureau of Registration &
Enforcement



Judith A. L. Wilson
Examiner
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