

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: AMERICAN INVESTMENT
SERVICES, INC.

FILE NO. 0200050

ORDER OF REVOCATION

TO THE RESPONDENT: American Investment Services, Inc.
6801 Broadway Extension, Suite 203B
Oklahoma City, OK 73116
CRD # 21111

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined; and

WHEREAS, the proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The evidence, exhibits and testimony have been offered and received from all parties and a proper record of all proceedings has been made and preserved as required.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State, Illinois Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in this case.
4. As no answer, special appearance or other responsive pleading was filed, American Investment Services, Inc., is therefore deemed to be in default.

Order of Revocation

-2-

1. That American Investment Services, Inc., (the "Respondent") was registered as a Dealer in the State of Illinois pursuant to Section 8 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act") from October 21, 1987 through December 31, 2002.
2. That on or about January 16, 2003 the National Association of Securities Dealers, Inc. (the "NASD"), a self regulatory organization registered under the Federal 1934 Act, expelled the Respondent from membership with the NASD for failing to meet SEC Net capital requirements; Preparing inaccurate trial balances and net capital computations for several months in the years 1999, 2000 and 2001, preparing inaccurate FOCUS reports; Failing to promptly report several customer complaints or arbitration proceeding against representatives, the suspension of a representative, settlement of arbitration proceedings against representatives and one internal investigation; Failing to file Form U4 and U5's as required in a timely manner; Failing to report disciplinary actions taken against a representative and settlements of arbitration proceedings against the Respondent within required time frames; Failing to accurately report NASDAQ National Market Securities Sales transactions as short sales; and Failing to accurately report NASDAQ National Market Sales Transactions as bunched trades, all as detailed and documented in the Department's pleadings, Exhibits and the Default Decision entered in NASD Disciplinary Proceeding No. C8A020057.
3. That Section 8.E.1(j) of the Act states, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a Dealer may be suspended or revoked if the Secretary of State finds that the Dealer has had membership in or association with any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act suspended, refused, expelled, cancelled, barred, limited in any capacity, or otherwise adversely affected in a similar manner arising from any fraudulent or deceptive act or practice in violation of any rule, regulation or standard duly promulgated by the self-regulation organization.
4. That Section 8.E(3) of the Act provides, inter alia, that if no proceeding is pending or instituted and withdrawal becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within two years after withdrawal became

Order of Revocation

-3-

effective and enter a revocation or suspension order as of the last date on which registration was effective.

5. That by virtue of the foregoing, the Respondent is subject to the entry of an Order which revokes its Dealer registration in the State of Illinois pursuant to the authority provided under Sections 8.E.(1)(j) and 8.E(3) of the Act.
6. The Entry of a Final Order of Revocation is proper in this Matter, given the conduct of the Respondent American Investment Services, Inc. as described in Secretary of State Exhibits No. 1-3, as well as the fact that said Respondent failed to appear at the hearing and properly answer the Notice of Hearing.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Complainant may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 Ill. Dec. 873, 66 Ill. App.3d 127, 383 N.E.2d 681; Koenig v. Nardullo, 1968, 99 Ill. App. 480, 241 N.E.2d 567; In Re the Marriage of Garde, 1983, 73 Ill. Dec. 816, 118 Ill. App. 3d 303, 454 N.E. 2d 1065.) Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent who fails to appear or answer the charges.
2. That the expulsion of Respondent American Investment Services, Inc. from membership with the NASD on January 16, 2003 as detailed and documented in the Default Decision entered in NASD Disciplinary Proceeding No. C8A020057 is a basis for Revocation of the Respondent's registration in Illinois pursuant to Section 815 ILCS 5/8.E.
3. That virtue of the foregoing, Respondent American Investment Services, Inc. is subject to an Order or Revocation in the State of Illinois.
4. Because of the Finding of Fact and Conclusions of Law, the pleadings, Exhibits and the Default Decision entered in NASD Disciplinary Proceeding No. C8A020057 on January 16, 2003 admitted as Secretary of State Exhibits No. 1-3, as well as the fact that said Respondent failed to answer the Notice of Hearing or appear at the hearing, the entry of a written Order of Revocation pursuant to 815 ILCS 5/8.E(3) which revokes


Order of Revocation

- 4 -

the registration of Respondent American Investment Services, Inc. as a Dealer in the State of Illinois is proper in this Matter.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendations of the Hearing Officer, American Investment Services' registration in the State of Illinois is hereby REVOKED.

ENTERED: This 26th day of June, 2003



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.