

**BEFORE THE NATIONAL ADJUDICATORY COUNCIL NATIONAL ASSOCIATION OF
SECURITIES DEALERS REGULATION, INC.**

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)	
DISTRICT BUSINESS CONDUCT)	DECISION AND ORDER OF
COMMITTEE FOR DISTRICT NO. 4)	ACCEPTANCE OF OFFER OF
120 West 12th Street, Suite 900)	SETTLEMENT BY RESPONDENT
Kansas City, Missouri 64105)	KEVIN H. STRICKLIN IN
)	COMPLAINT NO. C04970034
Complainant,)	
)	Date: April 6, 1999
vs.)	
)	
KEVIN HARRISON STRICKLIN)	
Registered General Securities)	
Principal (CRD No. 1920492))	
)	
Respondent.)	
_____)	

INTRODUCTION

Complaint No. C04970034 (the "Complaint") was filed on August 6, 1997, by the District Business Conduct Committee for District No. 4 (the "Committee") naming as Respondents Gregory A. Casady, John F. Haggerty, Jeffrey P. Huxtable, Curtis L. Marchand, Robert C. McAlexander, David K. Nelson, Arthur Lee Ruby and Kevin H. Stricklin ("Respondent Stricklin"), for violations of the Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120. The allegations against the other Respondents have been resolved through settlement or default, and this matter went to hearing against Respondent Stricklin on May 27 and 28, 1998. On August 7, 1998, a Decision was rendered by the District Committee which dismissed the allegations of the Second and Fourth Causes and made certain findings under the First and Third Causes of Complaint.¹ Respondent Stricklin has submitted an Offer of Settlement (the "Offer") in this matter to resolve all allegations in which findings were made by the District Committee. This Decision accepts that Offer of Settlement as submitted.

Under the terms of the Offer, Respondent Stricklin has consented for the purpose of this proceeding only, without admitting or denying the allegations of the Complaint, to the entry of findings of facts and violations by the District Committee consistent with the allegations of the Complaint in which findings were made by the District Committee. Respondent Stricklin has further consented to the imposition by the District Committee of the sanctions set forth below

¹ Allegations in the First and Third Causes of Complaint regarding customers D.C.F. and M.H. were dismissed.

and fully understands that this Order will become part of his permanent disciplinary record and may be considered in any future actions brought by NASD Regulation. Respondent Stricklin also understands that this Decision will be available through NASD Regulation's public disclosure program to public inquiries or requests for information about his disciplinary record.

Pursuant to the Offer, Respondent Stricklin has waived his right to an appellate hearing before the National Adjudicatory Council, and has waived a review by the Board of Governors of this Association. Respondent Stricklin has also waived his right to a review by the Securities and Exchange Commission, a judicial review by the United States Court of Appeals or to otherwise challenge or contest the validity of this Order.

RESPONDENT'S BACKGROUND AND DISCIPLINARY HISTORY

During all material times hereto, Respondent Stricklin was associated with former member firm Hibbard Brown & Co., Inc. ("Hibbard") as a sales representative in its Shawnee Mission Branch, and was registered with the NASD as a general securities representative until December 1992, at which time he became registered as a general securities principal, which registration remains in full force and effect although he is now registered with another member firm. Respondent Stricklin has not been the subject of prior formal disciplinary action by NASD Regulation, Inc.

SUMMARY OF THE COMPLAINT

After the Decision of the District Committee, only two causes remained. They allege as follows:

The remaining allegations of the First Cause of Complaint allege that Respondent Stricklin, by use of the instrumentalities of interstate commerce or the mails, intentionally or recklessly employed devices to defraud customers, by recommending and urging five customers to buy speculative and/or unseasoned securities through baseless price predictions and/or predictions of returns.

The remaining allegations of the Third Cause of Complaint allege that Respondent Stricklin omitted or misstated material information in sales of three Hibbard-recommended securities to five customers in 26 transactions.

Respondent Stricklin's actions with respect to these transactions are alleged to have violated Section 10(b) of the Securities Exchange Act and Rule 10b-5 adopted thereunder, and NASD Conduct Rules 2110 and 2120.

FINDINGS, CONCLUSIONS AND ACCEPTANCE OF OFFER OF SETTLEMENT

The National Adjudicatory Council finds that the sanctions imposed by the acceptance of the Offer are in the public interest, sufficiently remedial to deter Respondent Stricklin from any future misconduct and represent a proper discharge by the NASD of its regulatory responsibility under the Securities Exchange Act of 1934.

Accordingly, it is the decision of the National Adjudicatory Council that the Offer be accepted and that findings be made as follows:

Respondent Stricklin is found to have violated Section 10(b) of the Securities Exchange Act and Rule 10b-5 adopted thereunder, and NASD Conduct Rules 2110 and 2120, as alleged in the First and Third Causes of Complaint.

SANCTIONS

Based upon the acceptance of the Offer of Settlement, it is the decision of the National Adjudicatory Council that the following sanctions be imposed:

1. Censure;

2. a six-month suspension from association with any member firm in any capacity, from a date to be set by the President of NASD Regulation, Inc.; and

3. a fine of \$25,000, due and payable immediately following the above-referenced suspension.

On Behalf of the National Adjudicatory Council

By: _____

**Alden S. Adkins, Senior Vice President
And General Counsel**