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NOW THEREFORE, after consideration of the Investigative Report and accompanying exhibits submitted in this matter by Susan Schoaps, the Director hereby issues the following Findings of Fact, Conclusions of Law and Final Order:

FINDINGS OF FACT

The Director **FINDS** that:

1. Michael Francis Dobbs (hereinafter "Dobbs") resides at 1458 Dwight Place, Bronx, NY 10465.
2. In September of 2002, Dobbs, CRD # 2629465, was employed by GIT Securities Corporation.
3. Dobbs is not and has never been licensed to sell securities in the State of Oregon.
4. GIT Securities Corporation (hereinafter "GIT"), CRD # 103735, was licensed as a broker dealer in the State of Oregon from October 26, 2001 until March 17, 2003.
5. On March 25, 2003 GIT was expelled from membership in the National Association of Securities Dealers ("NASD") for violations of NASD conduct rules, case # C11030010.
6. On September 5, 2002, Dobbs made an unsolicited telephone call to an Oregon resident, Charles Blatt, offering to sell shares of Vaxgen to Mr. Blatt. Mr. Blatt declined to purchase.
7. During the telephone call noted in paragraph 6, Dobbs did not disclose to Mr. Blatt that he (Dobbs) was not licensed to sell securities in the state of Oregon.
8. Vaxgen is and was, at all times material to this Order, traded on NASDAQ NMS.
9. On September 6, 2002 Dobbs again placed a telephone call to Mr. Blatt and attempted to sell him stock in Vaxgen. Mr. Blatt declined to purchase.
10. During the telephone call noted in paragraph 9, Dobbs did not disclose to Mr. Blatt that he (Dobbs) was not licensed to sell securities in the state of Oregon.

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330 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 11. On September 6, 2002, Mr. Dobbs called Rob Brunner at the Oregon Division of
2 Finance and Corporate Securities and attempted to sell Mr. Brunner stock in Vaxgen.
3 12. During the telephone call to Mr. Brunner noted in paragraph 11, Mr. Dobbs did not
4 disclose to Mr. Brunner that he (Dobbs) was not licensed to sell securities in the state of
5 Oregon.
6 13. GIT permitted Dobbs to sell, or attempt to sell, Vaxgen stock in Oregon despite Mr.
7 Dobbs not being licensed to do so.
8 14. On September 17, 2002, Securities Investigator Susan Schoaps wrote a letter to
9 Christian Nigohossian, President of GIT, and requested that GIT provide information on Mr.
10 Dobbs and his solicitations to sell securities for GIT in the State of Oregon.
11 15. On November 22, 2002 Ms. Schoaps spoke on the telephone with Mr. Nigohossian.
12 Mr. Nigohossian stated that he would be providing the information requested in the
13 September 17th letter. The information was never provided despite follow up letters from Ms.
14 Schoaps on January 14, 2003 and February 2, 2003.

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18 **CONCLUSIONS OF LAW**

19 The Director **CONCLUDES** that:

- 20 1. On September 5, 2002, Dobbs offered and attempted to sell a security to Charles Blatt
21 in the State of Oregon without being licensed to do so in violation of ORS 59.165(1).
22 2. On September 6, 2002, Dobbs offered and attempted to sell a security to Charles Blatt
23 in the State of Oregon without being licensed to do so in violation of ORS 59.165(1).
24 3. On September 6, 2002, Dobbs offered and attempted to sell a security to Robert
25 Brunner in the State of Oregon without being licensed to do so in violation of ORS 59.165(1).
26

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1 4. GIT failed to reasonably supervise the activities of their salesperson, Michael Dobbs
2 in violation of ORS 59.205(13).

3 5. Michael Dobbs, by willfully or repeatedly offering or attempting to sell securities to at
4 least two Oregon residents despite not being licensed to do so, violated ORS 59.205(3).

5 6. GIT, by willfully or repeatedly failing reasonably to supervise their salesperson
6 Michael Dobbs, violated 59.205(3).

7 7. GIT employed Michael Dobbs as a salesperson in Oregon while Dobbs was not
8 licensed as a salesperson in Oregon, in violation of 59.165(3).

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10 **ORDER**

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12 **The Director**, pursuant to ORS 59.245 hereby **ORDERS** that Respondents Michael
13 Francis Dobbs and GIT Securities Corporation, it's agents and employees and any successor
14 business or corporation, shall **CEASE and DESIST** from:

15 1. Violating any provision of the Oregon Securities Laws, including ORS Chapter 59
16 and OAR Chapter 441, including ORS 59.055, 59.165 and ORS 59.205.

17

18 **The Director**, pursuant to ORS 59.995, hereby **ORDERS** the following **CIVIL**
19 **PENALTIES**:

20 1. Respondent Michael Francis Dobbs shall pay the following civil penalties:
21 **\$1500.00** for each attempt to sell a security in the State of Oregon while not licensed to do so,
22 for a total of **\$4500.00**.

23 2. Respondent GIT Securities Corporation shall pay the following civil penalties:
24 **\$2000.00** for failing to reasonably supervise their salesperson, Michael Francis Dobbs.

25 3. Pursuant to ORS 59.205 respondents Michael Francis Dobbs and GIT Securities
26 Corporation are **DENIED** the use of any exemptions that would otherwise be available to

1 them under ORS 59.025 and ORS 59.035 regarding securities and transactions exempt from
2 the registration requirements of the Oregon Securities Law.

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6 The entry of this Order in no way limits further remedies which may be available to the
7 Director under Oregon law.

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Dated this 19th day of April, 2004 at Salem, Oregon.

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COREY STREISINGER, DIRECTOR
DEPARTMENT OF CONSUMER & BUSINESS
SERVICES

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