

GENERAL DESCRIPTION OF CLASS

The SECURITIES EXAMINER (ENTRY), under the guidance of a Securities Examiner, analyzes and evaluates the activities of individuals and businesses suspected of unlawful securities and commodities activities to determine whether fraud and/or other violations of securities and commodities have been committed by conducting investigations, analyzing, and reconstructing financial records to determine fraud and hidden assets and performing legal research to determine legal sufficiency of information gathered to proceed with administrative, civil, or criminal action. The Securities Examiner (Entry) issues administrative orders against persons and businesses including fraud, licensing, and registration violations and testifies at these hearings. The Securities Examiner (Entry) assists the Attorney General's office in preparation and presentation of civil suits filed by Securities Section including fraud and racketeering and prepares cases and assists criminal enforcement agencies in felony criminal cases. The Securities Examiner (Entry) handles consumer complaints; analyzes and investigates license applications; and approves or prepares and issues administrative orders for license denial, suspension, or revocation. The Securities Examiner (Entry) analyzes and evaluates proposed securities offerings and negotiates with attorneys to modify offerings and determines whether to authorize registration (based on a reasonable expectation of profits on investments by consumers, authorizes businesses to sell stock to the public to raise money to fund business activities) and issues administrative denials of registration based on unfairness or noncompliance with securities laws. The Securities Examiner (Entry) writes Administrative Rules for securities, commodities, and franchise laws.

DISTINGUISHING FEATURES

This is the first level of a two-level series. This class is distinguished from the higher level by the relative complexity of cases and registration offerings assigned and by somewhat lesser independence in conducting assigned responsibilities. Positions in this class may need technical guidance from higher-level Security Examiners.

DUTIES AND RESPONSIBILITIES

Positions in this class may perform some but not all of the following duties and responsibilities:

- 1. Issues Administrative Orders, Prepares, and Presents Cases for Administrative Hearings, Assists in the Preparation and Presentation of Cases for Civil or Criminal Proceedings.** Typical tasks: determines legal sufficiency of information gathered to determine whether to proceed with administrative, civil, or criminal action on securities or commodities cases; writes and issues administrative orders which include allegations, facts to support allegations, conclusions of law, orders to cease and desist, and impositions of fines up to \$5,000 against unlicensed persons, persons and businesses selling unregistered securities, and persons who commit fraud in the sale of securities or commodities; performs legal research; prepares witnesses, including those who are hostile or disinterested, for administrative, civil, and criminal proceedings; writes and issues subpoenas for witnesses, documents, financial records, and bank documents; identifies, locates, and preserves physical evidence and exhibits for use at hearings or trial; presents proposals for resolution and negotiates with attorneys for respondents to settle cases and writes settlement orders; assists the Attorney General's office in preparation and presentation of securities and commodities civil suits and trials of cases, filed by Securities Section, including fraud and racketeering; prepares cases for

referral to Federal and State criminal enforcement agencies in felony criminal cases and assists in preparation and presentation of cases at trial; serves as a witness at Grand Jury proceedings in criminal cases; drafts indictment and interest list for State and Federal criminal enforcement agencies.

2.Plans and Conducts Investigations, Including Financial Investigations. Typical tasks: receives complaints of possible violations of securities or commodities laws from law enforcement agencies, other State's securities divisions, Department of Justice, and the public; determines whether the Securities Section has jurisdiction over the persons and activity involved; performs legal research on case law, State and Federal statutes and rules; plans a course of action for the investigation; assigns aspects of the investigation to investigators; identifies, locates, and interviews persons involved in the case; prepares and issues subpoenas and sets up service of process to suspects, investor/victims, businesses, banks, and others; prepares and submits affidavits and documents and works closely with District Attorneys and police to obtain judicial approval of search warrants based on securities and commodities criminal activity; interviews witnesses and takes depositions; gathers documentation needed to substantiate allegations; works closely with the Federal Bureau of Investigation (FBI), Internal Revenue Service, US Attorney General's Office, other State securities divisions on cases involving concurrent jurisdiction with Securities Section to share information and coordinate enforcement efforts; uses a nationwide computer data base which links all State securities divisions to input data, obtain data, and send messages concerning enforcement cases; reviews financial aspects of cases to determine financial books and records needed to substantiate allegations; constructs organized and detailed account of financial transactions from disorganized and incomplete records, bank records, and supporting documents including investor receipts, contracts, leases, real estate contracts, shareholder certificates, corporate resolutions; identifies and traces hidden assets and business ownerships; determines whether broker/dealers have manipulated stock markets through examination of broker/dealer records; determines the flow of monies from investors by following deposits, deposit offsets, debit and credit memos, and wire transfers; determines whether fraud, deceptive, or manipulative practices have occurred through analysis of reconstructed books and records; analyzes books and financial records for misappropriation of funds; investigates and determines whether fraudulent activities or other criminal or civil matters have occurred which are within the jurisdiction of Federal agencies such as the FBI, US Postal Inspector, US Attorney's Office, Securities and Exchange Commission; refers the case and documentation to the agency and assists the agency in the case; designs computer spreadsheets to input and analyze financial information and produce reports; resolves complaints from investors concerning licensed broker/dealers and salespersons (stockbrokers), investment advisors, and mortgage brokers; prepares detailed narrative reports on investigations, including initial reports, interim reports, and closing memorandums.

3.Securities Offerings. Typical tasks: analyzes, evaluates, and investigates proposals to sell securities offerings in the State (for example, offers by companies to sell stock or other financial interests in the company to the general public for the purpose of raising money for the company and for investment purposes by the public) by examining prospectuses and supporting documents to determine whether to approve or to deny the order of registration; authorizes orders of registration of securities offerings which allow a business to raise money in the state; analyzes business plans, financial statements, management biographies, disclosed business risks, and use of capital to be raised in the proposed sale of securities for the purpose of protecting the investing public; assists businesses by negotiating with attorneys to modify the proposals submitted to assure full disclosure to potential investors of all material facts, to assure that the investor receives a reasonable expectation of profit within the bounds of the acceptable risk, and to assure that the offer is free from fraud to protect potential investors; analyzes supporting documents including trust indentures, limited partnership agreements, contracts, leases and other legal documents to determine whether, in fact, the documents support the offering to make the offering fair to investors; contacts other experts, such as engineers, geologists, physicians, the Securities and Exchange Commission, and other State securities regulators for their

assistance in determining the fairness of the offering; independently approves the registration and authorizes the order of registration, if appropriate; denies the registration and compliance with securities laws which, after an administrative hearing, denies businesses the opportunity to raise money from Oregon investors; determines basis of denials of registration of an offering when analysis of the offering shows basic or hidden unfairness to the potential investor such as cheap stock, excessive compensation to management, excessive dilution of stock, or a weak financial condition of the company; testifies at administrative hearings; testifies as an expert witness at civil and criminal proceedings on the interpretation of securities and commodities laws.

4.Licensing and Audit Examinations. Typical tasks: evaluates initial and renewal securities applications for broker/dealers, investment advisors, mortgage brokers, and salespersons to determine whether to issue a license or to deny a license which would prevent the business or individual from selling securities in this state; examines the experience, training, and disciplinary history of the applicant and judges the integrity of the applicant covering topics such as criminal convictions, civil suits, and injunctions, and administrative or other sanctions and proceedings; evaluates the applicant's financial solvency by considering the proposed type of business, applicants' historic performance, business volume, financial statements, audits and footnotes, and supporting documentation; judges the need for further investigation; responds to complaints on licensees, uses judgment in deciding legitimacy and severity of complaint, and resolves disputes between investors and licensees; conducts field audit examinations of broker/dealer businesses including all practices such as operations, books and records, compliance with State and Federal laws, complaint files, and client files; determines whether broker/dealers determine suitability of investments for clients; determines course of action for violations based on audits; examines records to follow and interpret paper trails to detect violations; conducts exit interviews to review the results, explains violations, applicable laws, and administrative rules; writes examination reports to summarize findings; determines administrative action to take including revocation or suspension of license, imposition of fines, billing of examination costs, and issuing cease and desist orders which would stop the broker/dealer business from operating; writes and issues administrative orders; writes investigation reports.

5.Oregon Administrative Rules. Typical tasks: drafts all temporary and permanent Administrative Rules for approval by the administrator and director for ORS Chapter 59 (Securities Laws), ORS Chapter 645 (Commodities Laws), and Chapter 650 (Franchise Laws); reviews and analyzes Federal administrative rules to note possible conflicts; drafts all forms for registration of securities offerings and license applications, instruction sheets, and other related materials.

Employees in this class exercise independence in judgment and action; considerable initiative; are recognized experts in securities and commodities laws; exercise ingenuity in investigating persons and businesses and tracking financial information of highly sophisticated, fraudulent promoters; and work daily with sophisticated "Wall Street" attorneys on legitimate securities offerings. Securities and commodities statutes and case law are highly technical and complex cases are usually sensitive in nature, and regulation of the securities industry requires continual contact and coordination with other State and Federal securities regulators. Registration of securities offerings allows business to sell securities in Oregon to the public to raise money for their business activities. Administrative orders denying registration deny a business the opportunity to raise money from the investing public. Information developed from investigations often leads to administrative orders, civil actions filed by the Securities Section, or criminal actions which involve fines, civil penalties, or criminal sanctions. Cases may involve thousands of investors, tens of millions of dollars in monetary losses, and widespread critical public attention.

RELATIONSHIPS WITH OTHERS

Employees in this class have daily in-person and telephone contact with private attorneys and members of the public concerning securities offerings, licensing, and general inquiries. Employees in this class have daily in-person and telephone contact with persons under investigation or possessing information or evidence relating to an investigation. Employees in this class have daily contact with the Attorney General's office, FBI, US Attorney's Office, US Postal Inspector, Securities and Exchange Commission, other State's securities regulators, and other State and Federal law enforcement agencies concerning cases under investigation.

SUPERVISION RECEIVED

Employees in this class receive general supervision from the deputy administrator and unit supervisor who conducts periodic review of work and sets priorities on cases, makes policy determinations, determines imposition of sanctions, and determines consistency in the application of standards for review. State and Federal securities statutes, State and Federal case law, State commodities laws, Oregon Administrative Rules (for securities, commodities, and franchises), Oregon Board of Accountancy rules and regulations, generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants, and National Association of Securities Dealers are used to evaluate whether to register or deny securities offerings and to determine whether securities or commodities laws have been violated.

GENERAL INFORMATION

Assignments often involve multijurisdiction coordination of information and efforts. Employees in this class may be required to travel in state on a weekly basis and occasionally travel out of state.

KNOWLEDGE, SKILLS, AND ABILITIES (KSA)

Basic knowledge of Oregon securities, franchise, and commodities laws and administrative rules.

Basic knowledge of financial and business record keeping, sophisticated bookkeeping methods, and computerized data records.

Basic knowledge of accepted accounting principles and practices.

Skill in performing legal research on State and Federal case laws and statutes.

Skill in preparing witnesses and documentary evidence for administrative, civil, or criminal proceedings.

Skill in interviewing witnesses, victims, and suspects, who may be hostile.

Skill in interpreting laws and regulations.

Skill in evaluating business plans, financial statements, and legal documents.

Skill in assisting in the construction of an organized and detailed account of financial transactions from disorganized records.

Skill in interpreting financial statements and other financial reports.

Skill in writing clear and concise reports and preparing proposed legal documents.

Skill in communicating, verbally and in writing , with a broad range of people from an average investor to highly skilled professionals, including attorneys, criminal enforcement personnel, physicians, as well as sophisticated individuals involved in highly organized criminal activities.

Skill in applying laws to complex fact situations.

Ability to work independently and plan own work schedule.

Ability to develop a plan of action in unprecedented or unique cases.

Ability to testify in administrative, civil, and criminal proceedings.

Ability to explain complex and technical aspects of the law to laypersons and highly skilled professionals.

Ability to adapt and change work plans when unexpected developments or nonstandard circumstances warrant.

Ability to analyze complex fact situations or complex business plans and form opinions based on applicable laws.

Ability to prepare position letters and suggested restructuring of complex plans.

Ability to perform investigations.

Ability to serve as a witness in complex cases in both administrative hearings and court cases.

Ability to assist in the research and preparation of legal briefs.

Ability to assist in office examinations of broker/dealer books and records.

Ability to draft Administrative Rules, regulations, and internal office procedures.

Positions in this class may require one or more of the following:

General knowledge of law.

General knowledge of accounting and finance.

NOTE: The KNOWLEDGE and SKILLS are required for initial consideration. ABILITIES may be required for initial consideration, at any time during the selection process, or during a trial service period as a final stage of the selection process. Some duties performed by positions in this class may require different KSA's. No attempt is made to describe every KSA required for **all** positions in this class. Additional KSA requirements will be explained on the recruiting announcement.

Adopted 4/90

Revised

Examples of work are typical of duties assigned to this class. No attempt is made to describe every duty performed by all positions in this class.