

**BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF DELAWARE**

IN THE MATTER OF:

**PRINCIPAL FINANCIAL SECURITIES,)
INC. f/k/a THE PRINCIPAL/EPPLER,)
GUERIN & TURNER, INC.)**

CASE NO. L-93-12-01

Respondent.)

CONSENT ORDER

WHEREAS, Section 7313(a) of The Delaware Securities Act ("the Act"), Chapter 73 of Title 6 of the Delaware Code, provides that "[i]t is unlawful for any person to transact business in this State as a broker-dealer, investment adviser, or agent unless he is registered under this chapter"; and

WHEREAS, Section 7313(b) of the Act provides that it is "unlawful for any broker-dealer ... to employ an agent unless the agent is registered"; and

WHEREAS, Section 7302(a)(3) of the Act defines the term "broker-dealer" as "any person engaged in the business of effecting transactions in securities for the account of others or his own account"; and

WHEREAS, Section 7302(a)(2) of the Act defines the term "agent" as "any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities"; and

WHEREAS, the Delaware Securities Division ("the Division") alleges that:

1. Respondent PRINCIPAL FINANCIAL SECURITIES, INC. f/k/a THE PRINCIPAL/EPPLER, GUERIN & TURNER, INC. ("Principal"), CRD #260, is a securities firm with its principal place of business at 1445 Ross Avenue, Suite 2300, Dallas, Texas, 75202. Principal submitted an application for broker-dealer registration in the State of Delaware on September 17, 1993.

2. Principal, through its agent CHARLES A. MEISTER, CRD # 1591081, executed thirty-five (35) securities transactions, on behalf of Delaware investor _____, in the period beginning on or about March 1987 and ending December 1990.

3. Principal, through its agent Meister, executed six

(6) securities transactions. on behalf of Delaware investors , in the period beginning on or about April 1987 and ending March 1993.

4. Neither Principal nor Meister were registered as a broker-dealer or agent in the State of Delaware during the time priods described in Paragraphs 2 and 3, in violation of Section 7313(a) and (b) of the Act.

WHEREAS, Respondent Principal acknowledges that it is entitled to a hearing in connection with the allegations contained herein; and

WHEREAS, Respondent Principal wishes to waive its right to a hearing and resolve this matter by Consent Order; and

WHEREAS, in furtherance of its desire to resolve this matter by Consent Order, Respondent Principal knowingly and voluntarily wishes to admit the allegations contained herein; and

WHEREAS, the Division acknowledges the complete cooperation of Respondent in conducting this investigation; and

WHEREAS, the Division is unaware of any allegations of fraud in connection with any of the securities transactions effected by Principal through its agents on behalf of Delaware investors; and

WHEREAS, the Securities Commissioner finds that it is in the public interest to execute this Consent Order in connection with the instant matter:

THEREFORE, it is hereby stipulated and ordered that:

1. Respondent Principal admits the specific allegations relating violations of Section 7313(a) and Section 7313(b) of the Act.

2. Principal agrees to offer rescission to the Delaware investors who purchased securities during the above mentioned occasions. Such offers shall remain open for 15 calendar days from receipt thereof.

3. Respondent Principal shall pay a \$1,000 fine to the Investor Protection Fund as well as \$3,423.00 representing commissions earned on the above transactions. The monies shall be payable in full within 15 calendar days dating from the date of execution of this Consent Order by the Securities Commissioner.

4. The Division shall approve the broker-dealer registration of Principal in the State of Delaware on the date of execution of this Consent Order by the Securities Commissioner.

5. Failure to comply with the requirements described in Paragraph 2 and 3 in full shall result in an order suspending or revoking the broker-dealer registration of Principal.

6. Respondent Principal understands that nothing in this Consent Order bars the Division from taking any action expressly or impliedly authorized under the Act, in the event that new allegations of violations of the Act are charged by the Division either before or after approval of Principal's pending broker-dealer application. The term "new allegations" shall be defined to mean any violation other than the violations specifically described in this Consent Order. The Division is presently unaware of any such new allegations.

Thomas F. O'Toole

Thomas F. O'Toole
Chairman and CEO,
Principal Financial Securities, Inc.
f/k/a The Principal/Eppler,
Guerin & Turner, Inc.
Date: August 16, 1994

Brian J. Hurst

Brian J. Hurst
Senior Vice President &
General Counsel
Principal Financial
Securities, Inc. f/k/a
The Principal/Eppler,
Guerin & Turner, Inc.
Date: August 16, 1994

Thomas P. McGonigle

Thomas P. McGonigle
Deputy Attorney General
State of Delaware

Date: August 25, 1994

IT IS SO ORDERED this 25th day of August, 1994.

Richard W. Hubbard
Richard W. Hubbard
Securities Commissioner, State of Delaware