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SECURITIES COMMISSIONER

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Texas State Securities Board

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MEMBER

IN THE MATTER OF
THE AGENT REGISTRATION OF
TIMOTHY WILLIAM HARRIS

§
§
§

Order No. IC04-FIN-04

TO: Timothy William Harris (CRD # 1004442)
D.H. Hill Securities, LLP
19747 U.S. Highway 59 North, Suite 101
Humble, TX 77338

DISCIPLINARY ORDER AND UNDERTAKING

Be it remembered that Timothy William Harris ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and a hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2004) ("Administrative Procedure Act").
2. On or about January 15, 1997, Respondent registered with the Securities Commissioner as an agent of First Financial United Investments Ltd., LLP ("First Financial") a/k/a D.H. Hill Securities, LLP, which is currently effective.
3. Respondent sold Coin-Operated, Customer-Owned Telephone Programs ("COCOTS") to Texas residents.
4. Respondent sold all of the aforementioned COCOTS on behalf of American Telecommunications Company, Inc. ("American").

5. The COCOTS sold by Respondent on behalf of American have not been registered by qualification, notification or coordination and no permit has been granted for their sale within the State of Texas.
6. The compliance rules and procedures of First Financial required Respondent to receive approval from First Financial, prior to engaging in the sale of COCOTS on behalf of American.

Respondent did not, however, seek approval from First Financial, of Respondent's sale of COCOTS at any time prior to the sale.

7. On or about December 10, 2001, Respondent disclosed some outside business activity or employment to First Financial. However, Respondent did not disclose his sale of COCOTS on behalf of American.
8. On or about January 9, 1997 and pursuant to Section 115.2(a)(2)[formally Section 115.2(a)(1)] of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), Respondent filed a Form U-4 with the Securities Commissioner in connection with his application to become registered with the Securities Commissioner as an agent of First Financial.

Pursuant to Sections 101.2(c) and 133.33(a) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Form U-4, have been adopted as Board Rules.

9. The Form U-4 requires the disclosure of any other business conducted by the agent, including any other business conducted by the agent, either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise.
10. Section 115.9(a)(6) [formally Section 115.1(g)(1)(C)] of the Board Rules required Respondent to report, on the Form U-4, any change in information previously disclosed to the Securities Commissioner within thirty (30) days of such change.

Respondent did not, however, update his Form U-4 to reflect Respondent's association with American as an outside business.

UNDERTAKING

Respondent undertakes and agrees to update his Form U-4 to accurately and completely disclose Respondent's employment history and/or outside business activity with American within thirty (30) days of the entry of this Order and Undertaking.

CONCLUSIONS OF LAW

1. The COCOTS sold by Respondent on behalf of American are "securities" as the term "securities" is defined in Section 4.A of the Texas Securities Act.

2. Respondent engaged in the "offer for sale" and "sale" of securities in Texas as the terms "offer for sale" and "sale" are defined in Section 4.E of the Texas Securities Act.
3. Respondent violated Section 7 of the Texas Securities Act by engaging in the offer for sale and sale of securities in Texas at a time that the securities were not registered with the Securities Commissioner.
4. Respondent's failure to seek or receive prior approval from First Financial for the sale of COCOTS on behalf of American constitutes an inequitable practice in the sale of securities.
5. Respondent's failure to inform First Financial of Respondent's business activity on behalf of American constitutes an inequitable practice in the sale of securities.
6. Respondent's failure to update as outside business, his association with American, on his Form U-4, within thirty (30) days of the commencement of such association constitutes a violation of Section 115.9(a)(6) [formally Section 115.1(g)(1)(C)] of the Board Rules.
7. Pursuant to Sections 14.A(3) and 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an Order reprimanding an agent.
8. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Texas Securities Act and Board Rules constitute bases for the issuance of an Order assessing an administrative fine against an agent.

ORDER

1. It is therefore ORDERED that Timothy Williams Harris is hereby REPRIMANDED.
2. It is further ORDERED that Timothy Williams Harris is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Seven Thousand Dollars (\$7,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Seven Thousand Dollars (\$7,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

3. It is further ORDERED that Timothy Williams Harris hereby COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 3rd day
of March, 2004.

Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:



Timothy Williams Harris

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division

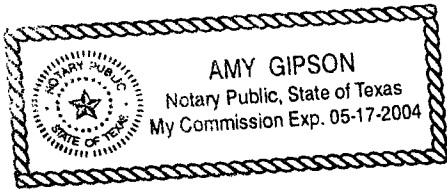
ACKNOWLEDGMENT

On the 1st day of March, 2004, Timothy Williams Harris ("Respondent") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Respondent has read the foregoing Order and Undertaking;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Amy Gipson
Notary Public in and for
the State of Texas

[affix notary seal here]



My commission expires on: 5.17.04