

such investment adviser in this state must first be registered as an investment adviser representative for such investment adviser, notice-filed or otherwise exempt.

5. **On** or about May 15, 2006, the staff of the Texas State Securities Board ("Staff") performed an inspection of the activities of Sanders Morris Harris Inc. at its branch office ("Branch Office") located at 12941 North Freeway, Suite 422, Houston, Texas 77060. Respondent was the person in charge at the Branch Office.
6. Staff discovered from on or about March 18, 2005 to on or about June 6, 2006, Respondent provided investment advice to SMHCA clients in Texas, for compensation and at times when Respondent not registered or notice-filed with the Securities Commissioner as an investment adviser representative for SMHCA, or otherwise exempt.
7. Pursuant to Section 14.A(6) of the Texas Securities Act, the Securities Commissioner may reprimand a registered investment adviser representative, if the investment adviser representative has violated any provision of the Texas Securities Act or the Board Rules.
8. Pursuant to Section 23-1 of the Texas Securities Act, The Securities Commissioner may assess an administrative fine against any investment adviser representative found to have engaged in any act or practice that violates the Texas Securities Act or Board Rules.

CONCLUSIONS OF LAW

1. Respondent rendered services in Texas as an "investment adviser representative" as that term is defined by Section 4.P of the Texas Securities Act.
2. From on or about March 18, 2005 to on or about June 6, 2006, Respondent rendered services as an investment adviser representative for SMHCA at times when Respondent was not so registered with the Securities Commissioner, in violation of Section 12.B of the Texas Securities Act and §116.1(b)(1)(A) of the Board Rules.
3. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding a registered investment adviser representative.
4. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for assessing a fine against an investment adviser representative.

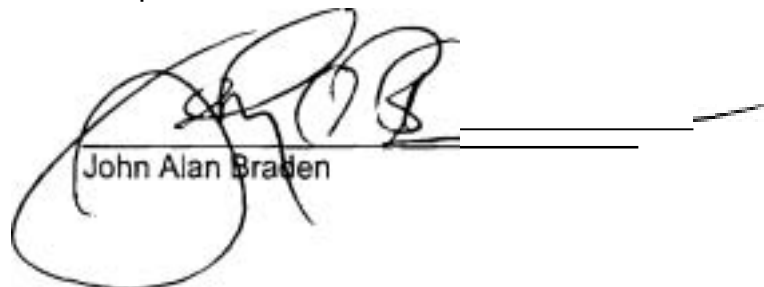
ORDER

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

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 11th
day of October, 2006.


DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:



John Alan Braden

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 3rd day of October, 2006, John Alan Braden ("Respondent") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent has read the foregoing Order;
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 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.

Nancy J. Roberts
Notary Public in and for
The State of Texas

[affix notary seal here]

My commission expires on: November
27, 2008

