

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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CHAIR

BRYAN K. BROWN  
MEMBER

EDWARD ESCUDERO  
MEMBER

DERRICK MITCHELL  
MEMBER

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MEMBER

IN THE MATTER OF THE APPLICATION FOR THE §  
INVESTMENT ADVISER REPRESENTATIVE §  
REGISTRATION OF KEVIN CALANDRO AND THE §  
AGENT REGISTRATION OF KEVIN CALANDRO §

**Order No. IC09-SUS-03**

TO: Kevin Calandro (CRD No. 1459109)  
SMH Capital Inc.  
600 Travis, Suite 5800  
Houston, TX 77002-3003

### DISCIPLINARY ORDER

Be it remembered that Kevin Calandro ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order 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 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 the Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2008) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon 2000 & Supp. 2008) ("Administrative Procedure Act").
2. On or about October 31, 2002, Respondent registered with the Securities Commissioner as an agent of SMH Capital Inc. ("SMH Capital"), which is currently effective.
3. On or about April 14, 2004, Respondent registered with the Securities Commissioner as an investment adviser representative of SMH Capital Advisors, Inc. ("SMH Advisors"), a federal covered investment adviser notice-filed with the Securities Commissioner, which was terminated on February 14, 2007.
4. On or about June 23, 2006, Respondent applied for registration with the Securities Commissioner as an investment adviser representative of SMH Capital, a federal covered investment adviser notice-filed with the Securities Commissioner, which is currently pending.

5. During the registration process, the Staff of the Texas State Securities Board, ("Staff"), discovered that from on or about January 1, 2003 to on or about March 30, 2004, without first being registered as an investment adviser representative, Respondent provided investment advisory services on behalf of SMH Advisors.
6. Pursuant to Section 12.B. of the Texas Securities Act and § 116.1(b)(1)(A) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), no person shall render services as an investment adviser representative in this state without first being registered as required by the Texas Securities Act.
7. Pursuant to Section 14.A(6) of the Texas Securities Act, the Securities Commissioner may reprimand or suspend a person registered under the Texas Securities Act if the person has violated any of the provisions of the Texas Securities Act or Board Rules.

#### CONCLUSIONS OF LAW

1. Respondent's providing services as an investment adviser representative without first being registered as required by the Texas Securities Act constitutes a violation of Section 12.B. of the Texas Securities Act and § 116.1(b)(1)(A) of the Board Rules.
2. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violation constitutes a basis for the issuance of an order reprimanding and suspending an agent and investment adviser representative.

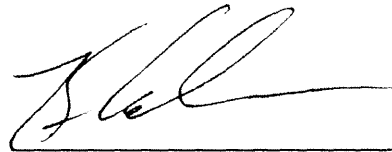
#### ORDER

1. It is therefore ORDERED that the registration of Kevin Calandro as an investment adviser representative of SMH Capital Inc. is hereby GRANTED.
2. It is further ORDERED that Kevin Calandro is hereby REPRIMANDED.
3. It is further ORDERED that the agent and investment adviser representative registrations of Kevin Calandro are SUSPENDED for ten (10) business days from the date this Order is signed by the Securities Commissioner. In the event that the registration of Kevin Calandro is terminated before the end of this period, the suspension period will be tolled from the date that the registration of Kevin Calandro is terminated to the date that the registration of Kevin Calandro is effective again.

SIGNED AND ENTERED by the Securities Commissioner this 19<sup>th</sup> day of February, 2009.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

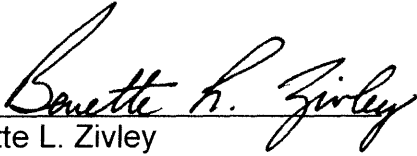
Respondents:



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Kevin Calandro

Approved as to Form:



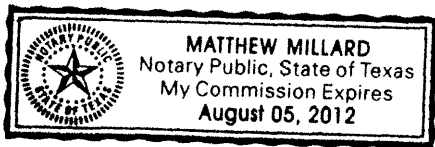
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Benette L. Zivley  
Director  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the 18<sup>th</sup> day of February, 2009, Kevin Calandro ("Respondent Calandro") personally appeared before me, executed the foregoing Order and acknowledged that:

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



[affix notary seal here]

Matthew Millard  
Notary Public in and for  
the State of Texas

My Commission Expires: Aug 05, 2012