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Texas State Securities Board

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Phone: (512) 305-8300
Facsimile: (512) 305-8310

IN THE MATTER OF
THE DEALER REGISTRATION OF
MARINER INVESTMENT GROUP AND
THE AGENT REGISTRATION OF
JOE FARNHAM MOORE, JR.

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§

Order No. IC09-CAF-14

TO: W. James Ecford, President
Mariner Investment Group (CRD No. 35993)
9601 Katy Freeway, Suite 400
Houston, TX 77024

Joe Farnham Moore, Jr. (CRD No. 1330414)
Mariner Investment Group
9601 Katy Freeway, Suite 400
Houston, TX 77024

DISCIPLINARY ORDER

Be it remembered that Mariner Investment Group ("Respondent Mariner"), by and through W. James Ecford, its President, and Joe Farnham Moore, Jr., individually, ("Respondent Moore")(collectively "Respondents") 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. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this order; and (d) all other procedural rights granted to the Respondents by the Securities Act, TEX. REV. CIV. STAT. ANN. art 581-1 et seq. (Vernon1964 & 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 April 5, 1994, Respondent Mariner registered with the Securities Commissioner as a dealer. That registration is currently effective.
3. On or about August 24, 1994, Respondent Moore registered with the Securities Commissioner as an agent of Respondent Mariner. That registration is currently effective.

4. On or about May 31, 2006, Respondent Mariner filed a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") with the Securities Commissioner in connection with an application to register a Texas resident (the "Agent") with the Securities Commissioner as an agent of Respondent Mariner.
5. On or about June 9, 2006, and in connection with the Agent's application, the staff of the Texas State Securities Board (the "Staff") sent a letter to Respondent Moore, in his capacity as President of Respondent Mariner. This letter advised Respondents that the Agent's application was under review and further requested that Respondents provide certain documents to the Staff.
6. The June 9, 2006 letter also contained the following statement:

Please note that the Texas Securities Act prohibits dealers, agents, investment adviser, and investment adviser representatives from engaging in the offer or sale of securities or the rendering of investment advisor services in Texas prior to being appropriately registered or notice filed as required, unless and exemption from such provision is available.
7. During the period from on or about May 31, 2006 through on or about August 9, 2006, the Agent engaged in the sale of securities in Texas on behalf of Respondent Mariner at a time when the Agent was not registered with the Securities Commissioner as an agent of Respondent Mariner.
8. On or about August 10, 2006, the Agent's application was approved as a result of Respondent Mariner entering into an agreement ("Undertaking") with the Securities Commissioner which required Respondent Mariner to limit the Agent's activity and implement heightened supervision of the Agent.
9. On or about August 10, 2006 Respondent Moore signed the Undertaking, which stated "[Agent] has not offered for sale, sold or participated in the sale of any security as an employee, salesman, agent or representative of [Respondent Mariner] within the State of Texas, nor will [Agent] until his application is approved."
10. At the time that Respondent Moore signed the Undertaking on behalf of Respondent Mariner, Respondent Moore knew that the Agent had engaged in the sale of securities in Texas on behalf of Respondent Mariner when the Agent was not registered as an agent of Respondent Mariner.
11. Respondent Mariner's written supervisory procedures generally prohibited the sale of securities by unregistered personnel.

UNDERTAKING

1. Respondent Mariner undertakes and agrees to retain an independent outside consultant ("Consultant") that is not unacceptable to the staff of the Texas State Securities Board, within twenty (20) days of the date that this Order is entered by the Securities Commissioner. Respondent Mariner further undertakes and agrees to submit, at least ten (10) days prior to retaining the Consultant, a letter to the Director of the Inspections and Compliance Division of the Texas State Securities Board ("Director" identifying: the Consultant, the Consultant's experience in the securities industry, and all pre-existing personal and business relationships between the Consultant and Respondent Mariner (including any employees or affiliates).

2. Respondent Mariner further undertakes and agrees that the Consultant will be retained for a period of three (3) years from the date that this Order is entered by the Securities Commissioner and for the purpose of reviewing Respondent Mariner's activities to monitor for compliance with all applicable securities laws and regulations. To that end, Respondent Mariner further undertakes and agrees to require that the Consultant will, at a minimum:
 - a. Review Respondent Mariner's supervisory system, including but not limited to Respondent Mariner's written supervisory procedures, within fifty (50) days of the date that this Order is entered by the Securities Commissioner.

 - b. Conduct on-site reviews of Respondent Mariner's home office every twelve (12) months, starting eleven (11) months after this Order is entered by the Securities Commissioner, to ensure compliance with all applicable securities laws and regulations by reviewing:
 - i. Respondent Mariner's compliance with the books and records requirements of §115.5 of the Rules and Regulations of the Texas State Securities Board ("Board Rules");

 - ii. The trading activity in the securities accounts of ten percent (10%) of Respondent Mariner's clients (randomly selected);

 - iii. Ten percent (10%) of the correspondence (randomly selected) between Respondent Mariner and its clients; and

 - iv. All regulatory filings and application forms related to Respondent Mariner and its agents, employees, personnel, etc.

 - c. Within twenty (20) days of each review described in 4.a and 4.b, above, provide Respondent Mariner a written report ("Report") identifying the files reviewed by the Consultant and the Consultant's findings and recommendations.

3. Respondent Mariner further undertakes and agrees to submit to the Director within thirty (30) days of receiving each Report: (1) the Report; and (2) a statement identifying all corrective measures taken by Respondent Mariner in response to the Report, and stating the reason(s) for not following any of the Consultant's recommendations in the Report.

CONCLUSIONS OF LAW

1. Pursuant to Section 14.A(5)(a) of the Texas Securities Act, Respondent Mariner's sale of securities in Texas through the Agent at a time when the Agent was not a registered agent is a basis for reprimanding Respondent Mariner.
2. Respondent Moore's conduct in connection with the Undertaking constitutes a fraudulent business practice. Pursuant to Section 14.A(3) of the Texas Securities Act, this fraudulent business practice constitutes a basis for the suspension of Respondent Moore's registration with the Securities Commissioner.
3. Respondent Mariner's failure to enforce its written supervisory procedures constitutes a violation of § 115.10(b)(1) of the Board Rules. Pursuant to Section 14.A(6) of the Texas Securities Act, this violation of a Board Rule constitutes a basis for the issuance of an Order reprimanding Respondent Mariner. Furthermore, pursuant to Section 23-1 of the Texas Securities Act, this violation constitutes a basis for the assessment of an administrative fine against Respondent Mariner.

ORDER

1. It is therefore ORDERED that the agent registration of Joe Farnham Moore, Jr. with the Securities Commissioner is hereby SUSPENDED for a period of twenty four (24) months from the date of this Order.
2. It is further ORDERED that Mariner Investment Group is hereby REPRIMANDED.
3. It is further ORDERED that Mariner Investment Group is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Twelve Thousand Dollars (\$12,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Twelve Thousand Dollars (\$12,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
4. It is further ORDERED that Mariner Investment Group COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 23rd
day of July, 2009.

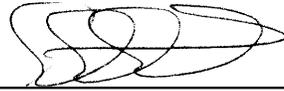
Denise Voigt Crawford
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondents:

Mariner Investment Group



By: W. James Eford, President

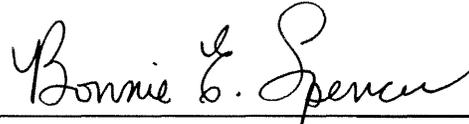


Joe Farnham Moore, Jr., Individually

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division



Bonnie E. Spencer, Esq.
Attorney for Respondents

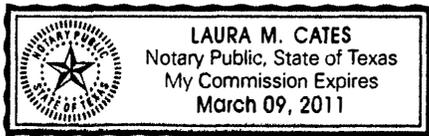


Ronak V. Patel
Attorney
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 20 day of July, 2009, Mariner Investment Group ("Respondent Mariner"), by and through W. James Ecford, its President, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. W. James Ecford is duly authorized to enter into the foregoing Order on behalf of Respondent Mariner;
2. W. James Ecford has read the foregoing Order;
3. Respondent Mariner has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent Mariner knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent Mariner, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



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Laura Cates

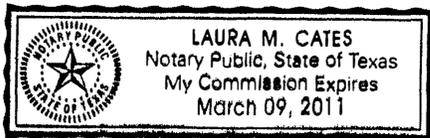
Notary Public in and for
the State of Texas

My commission expires on: 3/9/11

ACKNOWLEDGMENT

On the 21 day of July, 2009, Joe Farnham Moore, Jr. ("Respondent Moore") personally appeared before me, executed the foregoing Order and acknowledged that:

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



[affix notary seal here]

Laura Cates
Notary Public in and for
the State of Texas

My commission expires on: 3/9/11