

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



JOSE ADAN TREVINO  
CHAIRMAN

JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

NICHOLAS C. TAYLOR  
MEMBER

## State Securities Board

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AUSTIN, TEXAS 78711-3167

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KENNETH W. ANDERSON, JR.  
MEMBER

### SSB Docket No. 01-31

IN THE MATTER OF THE APPLICATION  
FOR AGENT REGISTRATION OF  
TRAVIS NICK DUREN

§  
§  
§

Order No. CAF-1444

TO: Mr. Travis Nick Duren (CRD #1589445)  
Crescent Securities Group, Inc.  
5580 LBJ Freeway, Suite 560  
Dallas, Texas 75240

### DISCIPLINARY ORDER REPRIMANDING AN AGENT

Be it remembered that Travis Nick Duren ("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 the Conclusions of Law contained herein.

### FINDINGS OF FACT

- 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 Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2001) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2001) ("Administrative Procedure Act").
- Flexvest Securities Group, Inc. ("Flexvest") has been registered with the Securities Commissioner as a general securities dealer and investment adviser since October 11, 1988.
- Respondent has been registered with the Securities Commissioner as an agent of Flexvest since October 25, 1993. Respondent has served as the compliance officer of Flexvest since on or about November, 1996. Per the Respondent, as the compliance officer, his responsibilities include approving new account forms, filing registration documents for the firm and its agents, and maintaining the firm's books and records.

4. On or about August 24, 2001, Crescent Securities Group, Inc. ("Crescent") filed an application with the Securities Commissioner as a general securities dealer. Respondent is pending with the Securities Commissioner as an agent of Crescent.
5. Respondent, acting in the capacity as compliance officer for Flexvest, approved customer new account forms that were not completely filled out, including several that were missing customer financial background information, in violation of NASD Conduct Rule 2310(b).
6. Respondent, acting in the capacity as compliance officer for Flexvest, mistakenly allowed Robert Waggoner to conduct securities sales activity on behalf of Flexvest for approximately four weeks in May of 2001, without proper registration with the Securities Commissioner.
7. Respondent, acting in the capacity as compliance officer for Flexvest, failed to maintain a complete set of account documents for each client of Flexvest as required by Sections 115.5(b)(9) and 115.5(e)(4) of the Rules and Regulations of the Texas State Securities Board ("Board Rules").
8. Respondent, acting in the capacity as compliance officer for Flexvest, failed to maintain updated copies of Flexvest's website advertising in an advertising file as required by Section 115.5(e)(3)(C) of the Board Rules.
9. Carlos Martinez's ("Martinez") registration with the Securities Commissioner, as an agent of Flexvest, was terminated on June 26, 2001. Respondent filed the Form U-5 to terminate this registration. Martinez was named in a customer complaint received by Flexvest on or about July 31, 2001. Respondent, acting in the capacity as compliance officer for Flexvest, failed to update the Form U-5 to disclose this complaint as required by Section 115.9(a)(6) of the Board Rules.
10. Respondent's conduct in Findings of Fact 5-9 constitutes a failure to supervise.
11. Pursuant to Section 101.2(c) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including Form U-5, have been adopted as Board Rules.

#### CONCLUSIONS OF LAW

1. A failure to supervise constitutes a violation of Section 14.A(3) of the Texas Securities Act which is a bases for the issuance of an order reprimanding an agent.
2. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding an agent.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order assessing an administrative fine against an agent.

ORDER

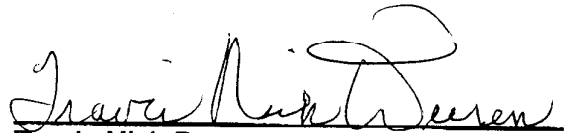
1. It is therefore ORDERED that the registration of Crescent Securities Group, Inc. as a general securities dealer is hereby GRANTED;
2. It is further ORDERED that the registration of Respondent as an agent of Crescent Securities Group, Inc. is hereby GRANTED;
3. It is further ORDERED that Respondent is hereby REPRIMANDED;
4. It is further ORDERED that Respondent is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Thousand Five Hundred Dollars (\$2,500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order;
5. It is further ORDERED that Crescent Securities Group, Inc. and Respondent COMPLY with the terms of the Undertaking which is incorporated by reference herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 30<sup>th</sup> day of November, 2001.

*Denise Voigt Crawford*

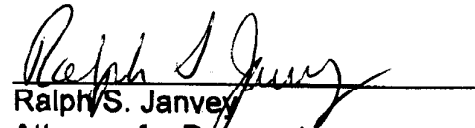
DENISE VOIGT CRAWFORD  
Securities Commissioner


Respondent:

  
Travis Nick Duren

Approved as to Form:

  
Joel H. Sauer  
Assistant Director  
Inspections and Compliance Division

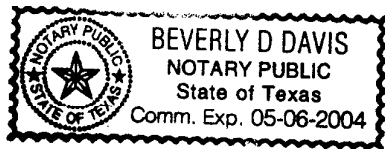
  
Ralph S. Janvey  
Attorney for Respondent

  
David Grauer  
Director  
Enforcement Division

**ACKNOWLEDGMENT**

On the 29 day of November, 2001, Travis Nick Duren ("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.



[affix notary seal here]

Beverly D. Davis  
Notary Public in and for  
the State of Texas

My commission expires on: 05-06-2004

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SECURITIES COMMISSIONER



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KENNETH W. ANDERSON, JR.  
MEMBER

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IN THE MATTER OF THE  
DEALER REGISTRATION OF  
CRESCENT SECURITIES GROUP, INC.  
AND  
THE AGENT REGISTRATION OF  
TRAVIS NICK DUREN (CRD #1589445)

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### UNDERTAKING FILED WITH THE SECURITIES COMMISSIONER OF TEXAS

Comes now, Crescent Securities Group, Inc. ("Crescent") and Travis Nick Duren ("Duren"), who, as a condition to the Securities Commissioner of Texas approving the pending applications of Crescent as a dealer and Duren as an agent of Crescent, make the following representations to the Securities Commissioner:

1. Duren represents that, as of the date of the filing of his application to be licensed in Texas as a securities salesman, he has not offered for sale, sold or participated in the sale of any security as an employee, salesman, agent or representative of Crescent in this state, nor will he do so until his application is approved.
2. Crescent undertakes and agrees to engage an independent compliance monitor ("ICM") to, on an unannounced basis, enter its office(s) and conduct a review of that office as described below. The ICM may be selected by Crescent, subject to the rejection by the Director of the Inspections and Compliance Division of the Texas State Securities Board. Crescent will provide advance written notice to the Director of Inspections and Compliance the name of the proposed ICM, at least two weeks before engaging that person or firm.

The review by the ICM shall be conducted every month for one year, and will be reviewed by the Staff of the State Securities Board ("Staff") for modification at least quarterly, the first review to be conducted by February 1, 2002, and shall include, but not be limited to:

- A) the supervisory structure of the office;
- B) the operational structure of the office;

- C) Crescent and Duren's practices regarding the determination of suitability of investments to ensure suitable customers are solicited;
- D) reviewing the operations and activities of Crescent and Duren to determine compliance with the Texas Securities Act, the Rules and Regulations of the Texas State Securities Board, and the compliance procedures of Crescent.

Crescent and Duren agree to provide the ICM free and immediate access to all areas of the office where securities activities are conducted, to all non-attorney/client-privileged files therein, and to any documents at other locations where their securities activities occur. Crescent and Duren agree to make and retain copies of all of the foregoing. Crescent and Duren agree that the ICM shall be free to discuss and examine all non-attorney/client-privileged records pertaining to Crescent and/or Duren's securities activities or funds associated with customers' securities transactions, as may be deemed appropriate by the ICM with any employee and/or agent of Crescent or any other entity controlled by Crescent. Crescent and Duren agree to instruct other personnel in the office to cooperate with the ICM, including those times when Duren may be absent from the office.

3. Crescent further undertakes and agrees to provide the Director of Inspections and Compliance a copy of the contract with the ICM within ten (10) business days of its execution.
4. Within thirty (30) days of the onsite completion of each quarterly review by the ICM, the ICM shall prepare and deliver a report for the Director of Inspections and Compliance, with copies to Crescent and Duren, stating the results of the review with respect to the areas outlined above, and making recommendations regarding any deficiencies noted during the review. Crescent and Duren further agree that the ICM shall be free to provide copies of any documents obtained during the review to the Director of Inspections and Compliance, and to otherwise communicate with the Staff of the Texas State Securities Board.
5. Crescent and Duren further undertake and agree to respond in writing to the Director of Inspections and Compliance with respect to the facts and conclusions derived from the review and any recommendations contained therein, including whether they will be implemented, and if not, state a reason therefore.
6. Crescent further undertakes and agrees to be solely responsible for the costs of the ICM.
7. Duren further undertakes and agrees that, in dealing with customers, his recommendations and other communications will be consistent with the standards of NASD Conduct Rules 2210(d) and 2310(a).
8. Duren further undertakes and agrees to cooperate fully with any investigation by the Texas State Securities Board or other law enforcement agencies, relating to the

activities of Mike Travis, Flexvest Securities Group, Inc., or their affiliates, including, but not limited to, providing information or documents and testifying in any civil, administrative or criminal proceeding brought by the Texas State Securities Board or any other law enforcement entity or self-regulatory organization.

9. Crescent further undertakes and agrees to take such measures as are reasonably necessary to ensure adequate disclosure to customers of the risks involved with private placements of securities, and to determine the suitability of such customers prior to the solicitation of the private placement. Crescent further undertakes and agrees not to sell private placements offered by Flexvest Securities Group, Inc. or managed by Mike Travis.
10. Crescent further undertakes and agrees that it will maintain a file on each customer containing all account documentation, including new account forms, margin agreements, option agreements, and subscription agreements.
11. Crescent further undertakes and agrees to take such measures as are reasonably necessary to ensure adequate disclosure of the risks involved with margin balances on customer accounts.
12. Crescent further undertakes and agrees to confirm that its agents are properly registered before permitting them to conduct securities activity on its behalf.
13. Crescent further undertakes and agrees to make timely updates to its agents' registration filings after receiving notice of complaints, disciplinary actions, or other information required to be filed.
14. Crescent further undertakes and agrees to take such measures as are reasonably necessary to ensure that Duren complies with the terms of this Undertaking.
15. Crescent files this Undertaking with the Securities Commissioner with the understanding that a violation of any provision imposing an affirmative duty upon Crescent pursuant to the terms of this Undertaking herein constitutes a basis for disciplinary proceedings against Crescent pursuant to Section 14.A(11) of the Texas Securities Act.
16. Duren files this Undertaking with the Securities Commissioner with the understanding that a violation of any provision imposing an affirmative duty upon Duren pursuant to the terms of this Undertaking herein constitutes a basis for disciplinary proceedings against Duren pursuant to Section 14.A(11) of the Texas Securities Act and may subject Duren to criminal penalties pursuant to Section 29.E of the Texas Securities Act.

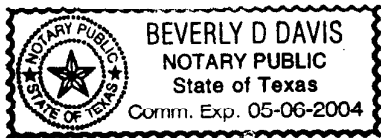


Crescent Securities Group, Inc.

By: Travis Nick Duren

Title: PRESIDENT

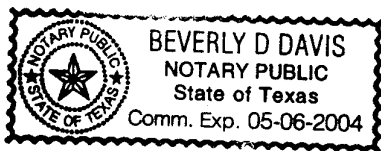
On the 29 day of November, 2001, TRAVIS NICK DUREN personally appeared before me and voluntarily executed the foregoing Undertaking for the purposes stated therein and did duly acknowledge to me that he was authorized to execute the same on behalf of Crescent Securities Group, Inc.



Beverly D. Davis  
Notary Public

Travis Nick Duren  
Travis Nick Duren

On the 29 day of November, 2001, Travis Nick Duren personally appeared and acknowledged to me that he has voluntarily executed the foregoing Undertaking for the purposes stated therein.



Beverly D. Davis  
Notary Public