

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



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State Securities Board

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MEMBER

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JACKIE LADD
MEMBER

SSB Docket No. 02-24

IN THE MATTER OF THE
AGENT REGISTRATION OF
NEIL WAYNE BROOKS AND
THE NEIL W. BROOKS AND
ROBERT ALLEN C.
LIMITED PARTNERSHIP

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Order No. CAF/CDO-1469

TO: Neil Wayne Brooks, General Partner
Neil W. Brooks and Robert Allen C. Limited Partnership
905 Terry Road
Pampa, Texas 79065

Neil Wayne Brooks (CRD # 4236005)
905 Terry Road
Pampa, Texas 79065

DISCIPLINARY AND CEASE AND DESIST ORDER

Be it remembered that the Neil W. Brooks and Robert Allen C. Limited Partnership ("Respondent Limited"), by and through its General Partner, Neil Wayne Brooks, and Neil Wayne Brooks ("Respondent Brooks"), individually, (collectively "Respondents") 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. 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 Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2002) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2002) ("Administrative Procedure Act").

2. Respondent Brooks is currently registered with the Securities Commissioner as an agent of Allstate Financial Services, LLC ("Allstate").
3. Respondent Limited is a Texas limited partnership with its principal office located at 1320B North Banks, Pampa, Texas 79065. Respondent Brooks is a general partner of Respondent Limited with the same business address as Respondent Limited.
4. Jemico Inc. ("Jemico") is a registered investment adviser with the State of Utah.
5. Respondent Brooks, on behalf of Respondent Limited, contacted potential investors and made available for purchase limited partnership interests in Respondent Limited and promissory notes issued by Respondent Limited.
6. Respondent Brooks represented to potential investors that funds invested in the limited partnership interest and promissory notes would be pooled together and placed in a stock trading account managed by Jemico.
7. Respondent Brooks' offer for sale and sale of limited partnership interest in Respondent Limited and promissory notes issued by Respondent Limited was not done in connection with Respondent Brooks' employment with Allstate.
8. Respondent Brooks sent correspondences to potential investors that contained false and misleading statements or statements that were misleading, in that Respondent had no reasonable basis for such statements. These statements included the following:
 - a) "Jemico Inc. employs a somewhat unique trading strategy where stock positions are taken where options are sold at various strikes and then are hedged with additional stock positions. This is a brief statement of a very complex trading strategy, which is so exotic that it has been reviewed by members of CBOE and by Penson Financial, a stock transaction house in Dallas, TX."
 - b) "What has happened in the past with money under Jemico Inc. management? Prior to 1/1/2002 Jemico Inc. achieved 4-6% per month."
 - c) "Your money is secured with certificates of deposit in a FDIC financial institution and the assets of Neil W. Brooks and Robert Allen C. Limited."
9. Penson Financial Services, Inc. ("Penson") and the CBOE aka Chicago Board Options Exchange have not reviewed the trading strategy employed by Jemico.
10. The strategy employed by Jemico has not achieved a 4-6% return per month.
11. Respondent Brooks accepted funds from investors and deposited said funds in a U.S. Trading Corp. brokerage account in the name of Respondent Limited at Penson.

12. Respondent Brooks failed to disclose to Allstate that Respondent Brooks was general partner to Respondent Limited and/or that Respondent Brooks was raising funds from investors for the purchase of limited partnership interests in Respondent Limited and promissory notes issued by Respondent Limited.
13. Respondent Brooks failed to amend his Form U-4 filed with the Securities Commissioner as an agent of Allstate to disclose this outside business activity and employment within 30 days as required by Section 115.9(a)(6) of the Rules and Regulations of the Texas State Securities Board ("Board Rules") and the Form U-4.
14. Pursuant to Sections 101.2(c) and 133.33(a)(4) 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.

CONCLUSIONS OF LAW

1. The limited partnership interests in the Neil W. Brooks and Robert Allen C. Limited Partnership and the promissory notes issued by the Neil W. Brooks and Robert Allen C. Limited Partnership are both securities as defined in Section 4.A of the Texas Securities Act.
2. Respondents' conduct, described in the Findings of Fact, constitutes the offer for sale and sale of securities as defined in Section 4.E of the Texas Securities Act.
3. The above-described securities, offered for sale and sold by Respondents, were not registered with the Securities Commissioner as required by Section 7 of the Texas Securities Act.
4. Respondents offered for sale and sold the above-described securities in Texas at a time when Respondents were not registered with the Securities Commissioner as required by Section 12 of the Texas Securities Act.
5. The correspondences referenced in provision 8 of the Findings of Fact and that were sent to potential investors, contained exaggerated, misleading information and failed to provide a sound basis for certain information, which constitutes an inequitable practice in the sale of securities and a fraudulent business practice.
6. 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.
7. 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.
8. Pursuant to Section 23 of the Texas Securities Act, the foregoing violations constitute bases for the issuance of a cease and desist order.

UNDERTAKING

1. Respondent Brooks hereby undertakes and agrees to withdraw his registration with the Securities Commissioner as an agent of Allstate with prejudice.
2. Respondent Brooks further undertakes and agrees not to reapply for registration with the Securities Commissioner as a dealer, investment adviser, agent of a dealer, or an investment adviser representative for five (5) years from the date this order is signed by the Securities Commissioner.

ORDER

1. It is therefore ORDERED that Neil Wayne Brooks is hereby REPRIMANDED.
2. It is further ORDERED that Neil Wayne Brooks COMPLY with the terms of the Undertaking contained herein.
3. It is further ORDERED that Neil Wayne Brooks is ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Hundred Dollars (\$500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Hundred Dollars (\$500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
4. It is further ORDERED that Neil Wayne Brooks and the Neil W. Brooks and Robert Allen C. Limited Partnership immediately CEASE AND DESIST from offering securities to Texas residents until the securities have been registered with the Securities Commissioner or an available exemption is utilized.
5. It is further ORDERED that Neil Wayne Brooks and the Neil W. Brooks and Robert Allen C. Limited Partnership immediately CEASE AND DESIST from offering securities to Texas residents through the use of fraud or through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

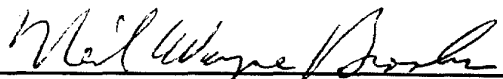
SIGNED AND ENTERED by the Securities Commissioner this 13th day of August, 2002.

Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner


Respondents:


Neil W. Brooks and Robert Allen C. Limited
Partnership


Neil Wayne Brooks, General Partner


Neil Wayne Brooks, Individually

Approved as to Form:


Michael S. Gunst
Director
Inspections and Compliance Division


David A. Grauer
Director
Enforcement Division

ACKNOWLEDGMENT

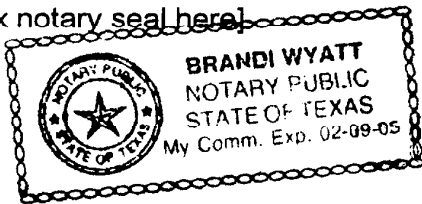
On the 7th day of Aug, 2002, the Neil W. Brooks and Robert Allen C. Limited Partnership ("Respondent Limited"), by and through Neil Wayne Brooks, its General Partner, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Neil Wayne Brooks is duly authorized to enter into the foregoing Order on behalf of Respondent Limited;
2. Neil Wayne Brooks has read the foregoing Order;
3. Respondent Limited has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent Limited 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 Limited, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

Brandi Wyatt
Notary Public in and for
the State of TX

My commission expires on: 2-9-05

[affix notary seal here]



ACKNOWLEDGMENT

On the 7th day of Aug, 2002, Neil Wayne Brooks ("Respondent Brooks") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

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

Brandi Wyatt
Notary Public in and for
the State of _____

[affix notary seal here]

My commission expires on: 2-9-05

