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Texas State Securities Board

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IN THE MATTER OF
KENNRICH HOMES, INC.;
RICHARD E. FLUECKIGER;
AND KENNETH B. LUEDECKE, JR.

§
§
§
§

Order No. ENF-07-CDO-1642

TO: Kennrich Homes, Inc.
1795 N. Fry Road #241
Katy, Texas 77449-3347

Richard E. Flueckiger
1795 N. Fry Road #241
Katy, Texas 77449-3347

Kenneth B. Luedecke, Jr.
1795 N. Fry Road #241
Katy, Texas 77449-3347

AGREED CEASE AND DESIST ORDER

Be it remembered that Kennrich Homes, Inc. ("Respondent Kennrich"), by and through its President, Richard E. Flueckiger; Richard E. Flueckiger ("Respondent Flueckiger"), individually; and Kenneth B. Luedecke, Jr. ("Respondent Luedecke"), appeared before the Securities Commissioner of Texas ("Securities Commissioner") and consented to the entry of this Order ("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 a 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. 2006) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2006) ("Administrative Procedure Act").

2. Respondent Kennrich is a Texas corporation that maintains a last known address of 1795 N. Fry Road #241, Katy, Texas 77449-3347.
3. Respondent Flueckiger is the President of Respondent Kennrich and maintains a last known business address of 1795 N. Fry Road #241, Katy, Texas 77449-3347.
4. Respondent Luedecke is a Director of Respondent Kennrich and maintains a last known business address of 1795 N. Fry Road #241, Katy, Texas 77449-3347.
5. Respondents have offered for sale in Texas promissory notes for the development of real property located in Katy, Texas, via the Houston Chronicle, a newspaper of general public circulation.
6. The notes were not registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
7. Respondents were not registered with the Securities Commissioner as dealers or agents at any time material hereto.

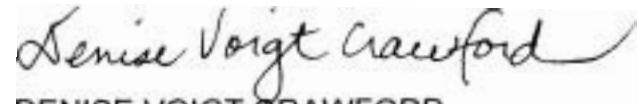
CONCLUSIONS OF LAW

1. The above-described notes are "securities" as that term is defined in Section 4.A of the Texas Securities Act.
2. Respondents have violated Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities were not registered with the Securities Commissioner.
3. Respondents have violated Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. The foregoing violations constitute bases for the issuance of a Cease and Desist Order pursuant to Section 23.A of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale securities in Texas until the securities are registered with the Securities Commissioner or are offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from the offer and sale of securities in Texas until Respondents are registered with the Securities Commissioner as dealers or agents or an available exemption from registration is utilized.


SIGNED AND ENTERED by the Securities Commissioner this 22nd day of October, 2007.

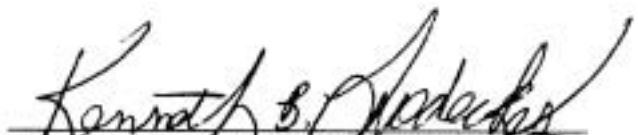

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondents:

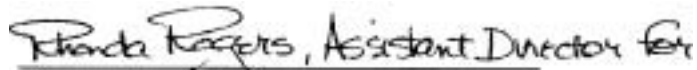
Kennrich Homes, Inc.



Richard E. Flueckiger, President


Richard E. Flueckiger, Individually


Kenneth B. Luedcke Jr., Individually

Approved as to Form:

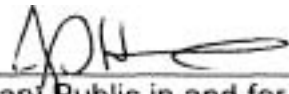

Joseph R. Rotunda
Director
Enforcement Division


Mogey Lovelle
Assistant Director
Enforcement Division

ACKNOWLEDGMENT

On the 13th day of October, 2007, Kennrich Homes, Inc. ("Respondent Kennrich"), by and through its President, Richard E. Flueckiger, personally appeared before me, executed the foregoing Order and acknowledged that:

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



Notary Public in and for
the State of Texas

[affix notary seal here]

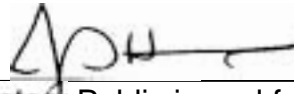
My commission expires on: 05-10-2010



ACKNOWLEDGMENT

On the 12th day of October, 2007, Richard E. Flueckiger, individually ("Respondent Flueckiger"), personally appeared before me, executed the foregoing Order and acknowledged that:

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



Notary Public in and for
the State of Texas

[affix notary seal here]

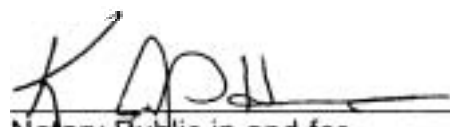
My commission expires on: 05-10-2010



ACKNOWLEDGMENT

On the 12th day of October, 2007, Kenneth B. Luedecke. Jr. ("Respondent Luedecke"), personally appeared before me, executed the foregoing Order and acknowledged that:

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



Notary Public in and for
the State of Texas

[affix notary seal here]

My commission expires on: 05-10-2010



