

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

Mail, P.O. BOX 13167  
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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

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### SOAH DOCKET NO. 312-07-2045 SSB DOCKET NO. 07-IC01

IN THE MATTER OF §  
THE DEALER REGISTRATION OF §  
ONE FINANCIAL SECURITIES, LTD. AND §  
THE AGENT REGISTRATION OF §  
LELAND ALAN DYKES §

Order No. IC07-REV-18

TO: Leland Alan Dykes, President  
One Financial Securities, Ltd. (CRD No. 104282)  
301 Magazine Street, 3rd Floor  
New Orleans, LA 70130

Leland Alan Dykes (CRD No. 2230072)  
One Financial Securities, Ltd.  
5433 Westheimer, Suite 1102  
Houston, TX 77056

### DISCIPLINARY ORDER

Be it remembered that One Financial Securities, Ltd. ("Respondent OFS"), by and through Leland Alan Dykes its President, and Leland Alan Dykes ("Respondent Dykes"), individually (collectively "Respondents"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and the Findings of Fact and the 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. 2006) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2006) ("Administrative Procedure Act").
2. On or about October 17, 2000, Respondent OFS registered with the Securities Commissioner as a dealer, which is currently effective.

3. On or about August 9, 2001, Respondent Dykes registered with the Securities Commissioner as an agent for Respondent OFS, which is currently effective. Respondent Dykes is the President of and the designated principal for Respondent OFS.
4. On or about December 7, 2006, the staff of the Texas State Securities Board ("Staff") attempted an inspection (the "Inspection") of Respondent OFS.
5. Pursuant to Sections 13-1 of the Texas Securities Act and §115.7 of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), the Securities Commissioner, during regular business hours and without notice, may inspect a registered dealer to ensure compliance with the Texas Securities Act and the Board Rules, and examine and copy books and records pertinent to the inspection.
6. Pursuant to Section 13-1.C of the Texas Securities Act and §115.7(c) of the Board Rules, Respondent OFS was required to provide the Staff during the Inspection with immediate and complete access to Respondent OFS' office, place of business, files, safe, and any other location in which books and records pertinent to the Inspection were located, and to allow the Staff to make copies of such books and records.
7. During the Inspection, Respondent OFS, by and through Respondent Dykes, refused to give the Staff access to the entire place of business, files and to all of the books and records pertinent to the Inspection.
8. Pursuant to §115.5(b) and § 115.5(e)(1)(A) of the Board Rules, Respondent OFS was required to make and keep current in an easily accessible place certain records, including but not limited to: ledgers (including general ledgers); blotters (or other journals of original entry); and other ledgers (including statements of all income and expense).
9. During the Inspection, Respondent OFS, by and through Respondent Dykes, failed to provide the Staff with some of the requested documents that were required to be made and kept current in an easily accessible place.
10. Pursuant to §115.7(e) of the Board Rules, the Staff may require that all records maintained by a registered dealer pursuant to the Board Rules, and all other records maintained in the normal course of business of the registered dealer, be made available within 48 hours at any office of the Texas State Securities Board as designated by the Staff, or within such greater time period as the Staff deems reasonable.
11. On or about January 12, 2007, the Staff hand delivered to Respondents' office a written request letter ("First Request Letter") for records and information concerning Respondents. The First Request Letter required Respondents to make the requested records and information available at the Houston Branch Office ("HBO") of the Texas State Securities Board by no later than January 17,

2007. The requested information was information deemed necessary by the Securities Commissioner to determine Respondents' business repute. Respondents failed to deliver any of the requested records or information by January 17, 2007. During the weeks after January 12, 2007, several specific extensions were granted by the Staff and only part of the requested records and information were made available by Respondents to the Staff.

12. On or about January 23, 2007 and January 26, 2007, the Staff issued two written follow-up request letters for records and information to the Respondents which clarified the requests in the First Request Letter, and identified the requested documents and information which Respondents had failed to provide. The documents and information requested by the January 23, 2007 follow-up letter were required to be made available by Respondents at the HBO by January 26, 2007. The documents and information requested by the January 26, 2007 follow-up letter were required to be made available by Respondents at the HBO by February 1, 2007. During the weeks after January 23, 2007, the Staff again granted extensions and only part of the requested records and information were made available by Respondents to the Staff.
13. On or about February 7, 2007, the Staff issued another follow-up letter to the Respondents summarizing the requested documents and information which had been provided by Respondents to the Staff, and again requested all of the documents and information that had not been made available by Respondents to the Staff at the HBO. The documents and information requested in the February 7, 2007 follow-up letter were required to be made available by Respondents at the HBO by February 9, 2007. The Staff again granted extensions, but the Respondents failed to make available any of the remaining documents or information to the Staff at the HBO.
14. Pursuant to §101.2(c) and §133.33(a)(3) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Uniform Application for Broker-Dealer Registration ("Form BD") and the Uniform Application for Securities Industry Registration or Transfer ("Form U-4"), have been adopted as Board Rules and have the same force and effect.
15. Pursuant to Section 115.2(e)(2) of the Board Rules, uniform forms submitted through the Central Registration Depository System maintained by the NASD, Inc., including the Form BD and the Form U-4 that designate the State of Texas as a jurisdiction in which the filing is to be made, are deemed to be filed with the Securities Commissioner and constitute official records of the Texas State Securities Board.
16. The information required to be reported on the Form BD and Form U-4 is deemed necessary by the Securities Commissioner to determine a person's business repute or qualifications.

17. Pursuant to § 115.9(a)(6) of the Board Rules, each registered securities dealer and each registered agent shall report to the Securities Commissioner, within thirty (30) days, any change in any information previously disclosed to the Securities Commissioner on any application form or filing.
18. On or about August 8, 2005, Respondent OFS filed a Form BD with the Securities Commissioner.
  - (A) Item No. 11.G of the August 8, 2005 Form BD required an answer of "YES" or "NO" to the question: "Is the applicant or a control affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of 11C, D or E?"
  - (B) Item No. 11.D(2) of the August 8, 2005 Form BD asked whether any state regulatory agency has ever found the applicant or a control affiliate to have been involved in a violation of investment-related regulations or statutes.
  - (C) Item No. 11.D(5) of the August 8, 2005 Form BD asked whether any state regulatory agency has ever revoked the applicant's registration by order.
  - (D) Item No. 11.G of the August 8, 2005 Form BD was answered "NO".
19. On or about March 9, 2007, the Staff issued a Notice of Hearing which provided official notice to Respondents that the Texas State Securities Board had initiated a formal administrative action before the State Office of Administrative Hearings for findings of violations of investment-related regulations and statutes, and for revocation of Respondents' registrations.
20. On or about April 27, 2007, Respondent OFS filed an amended Form BD with the Securities Commissioner. The Execution section of this Form BD was executed by Respondent OFS, by and through Respondent Dykes, and stated therein:

"The undersigned and applicant represent that the information and statements contained herein, including exhibits attached thereto, and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and applicant further represent that to the extent any information previously submitted is not amended such information is currently accurate and complete."
21. Item No. 11.G of the April 27, 2007 Form BD continued to be answered "NO", thereby failing to disclose that Respondents were the subject of a regulatory proceeding that could result in any state regulatory agency finding the applicant or a control affiliate to have been involved in a violation of investment-related regulations or statutes, or any state regulatory agency ever revoking the applicant's registration by order.

22. To date, Respondent OFS has not filed a Form BD with the Securities Commissioner changing the previously reported information for Item No. 11.G of its Form BD from "NO" to "YES".
23. On or about February 26, 2002, Respondent Dykes filed a Form U-4 with the Securities Commissioner. Item No. 9 of the Signature section of this Form U-4 stated:

"I agree to update this form by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported. Further, I represent that, to the extent any information previously submitted is not amended, the information provided in this form is currently accurate and complete."
24. On or about August 14, 2002, Respondent Dykes filed another Form U-4 with the Securities Commissioner.
  - (A) Item No. 14.G(1) of the August 14, 2002 Form U-4 required an answer of "YES" or "NO" to the question: "Have you been notified, in writing, that you are now the subject of any: (1) regulatory complaint or proceeding that could result in a "yes" answer to any part of 14C, D or E?"
  - (B) Item No. 14.D(2) of the August 14, 2002 Form U-4 asked whether any state regulatory agency has ever found you to have been involved in a violation of investment-related regulation(s) or statute(s).
  - (C) Item No. 14.D(5) of the August 14, 2002 Form U-4 asked whether any state regulatory agency has ever revoked your registration by order.
  - (D) Item No. 14.G(1) of the August 14, 2002 Form U-4 was answered "NO"
25. To date, Respondent Dykes has not filed a Form U-4 with the Securities Commissioner changing the previously reported information for Item No. 14.G(1) of his Form U-4 from "NO" to "YES".

#### CONCLUSIONS OF LAW

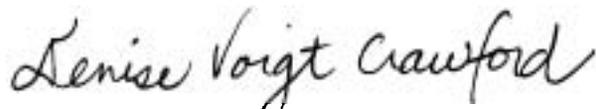
1. During the Inspection, Respondent OFS, by and through Respondent Dykes, failed to provide the Staff with immediate and complete access to Respondents' place of business, files and books and records, in violation of Section 13-1.C of the Texas Securities Act and § 115.7(c) of the Board Rules.
2. Respondent OFS failed to make and keep current certain documents in an easily accessible place, in violation of § 115.5(b) and § 115.5(e)(1)(A) of the Board Rules.

3. Respondents repeatedly failed and thereby refused to furnish information requested by the Staff of the Securities Commissioner that was necessary to determine the Respondents' business repute.
4. Respondent OFS, by and through Respondent Dykes, failed to report a change in the information reported in Section 11.G of the of the August 8, 2005 Form BD within thirty (30) days after the March 9, 2007 Notice of Hearing, in violation of § 115.9(a)(6) of the Board Rules.
5. Respondent OFS, by and through Respondent Dykes, filed the April 27, 2007 Form BD with the Securities Commissioner which included incorrect information in Section 11.G in violation of the Board Rules and constituted a material misrepresentation to the Securities Commissioner in connection with information deemed necessary to determine business repute or qualifications.
6. Respondent Dykes failed to report a change in the information reported in Section 14.G(1) of the August 14, 2002 Form U-4 within thirty (30) days after the March 9, 2007 Notice of Hearing, in violation of § 115.9(a)(6) of the Board Rules.
7. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order revoking the Respondents' registrations with the Securities Commissioner.
8. Pursuant to Section 14.A(7) of the Texas Securities Act, the foregoing material misrepresentation and refusals to furnish information constitute bases for an order revoking the Respondents' registrations with the Securities Commissioner.

ORDER

It is therefore ORDERED that the registration of One Financial Securities, Ltd. as a dealer and the registration of Leland Alan Dykes as an agent for One Financial Securities, Ltd., are hereby REVOKED.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 6<sup>th</sup>  
day of August, 2007.



DENISE VOIGT CRAWFORD  
Securities Commissioner

Respondents:

One Financial Securities, Ltd.

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Leland Alan Dykes, President

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Leland Alan Dykes, Individually

Approved ~~at~~ Form:



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Benette L. Zivley  
Director  
Inspections and Compliance Division

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Patrick K. Craine  
Bracewell & Giuliani LLP  
Attorney for Respondents

**Respondents:**

**One Financial Securities, Ltd.**

  
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**Leland Alan Dykes, President**

  
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**Leland Alan Dykes, Individually**

**Approved as to Form:**

\_\_\_\_\_  
**Benette L. Zivley**  
**Director**  
**Inspections and Compliance Division**

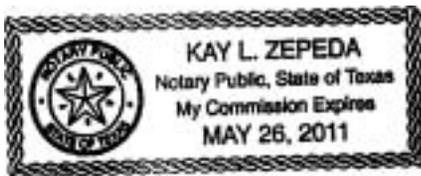
  
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**Patrick K. Craine**  
**Bracewell & Giuliani LLP**  
**Attorney for Respondents**

**ACKNOWLEDGMENT**

On the 3RD day of August, 2007, One Financial Securities, Ltd. ("Respondent **OFS**"), by and through **Leland Alan Dykes**, its President, appeared before me, **executed** the foregoing order, -and **acknowledged** that:

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



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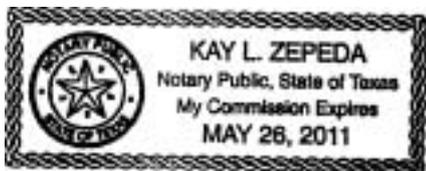
Kay L. Zepeda  
 Notary Public in and for  
 The State of Texas

My commission expires on: 5/26/11

**ACKNOWLEDGMENT**

On the 30 day of August, 2007, Leland Alan Dykes ("Respondent Dykes") personally **appeared** before me, executed the foregoing Order, and acknowledged that:

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



[affix notary seal here]

Kay L. Zepeda  
 Notary Public in and for  
 The State of Texas

My commission expires on: 5/26/11