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Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
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IN THE MATTER OF THE
INVESTMENT ADVISER REGISTRATION
OF LEGACY HARBOR

§
§
§

Order No. IC07-CEN-22

TO: Michael Doyle, Partner
Legacy Harbor (CRD No. 118187)
5220 Spring Valley Road, Suite 613
Dallas, TX 75254

DISCIPLINARY ORDER

Be it remembered that Legacy Harbor ("Respondent"), by and through Michael Doyle, a Partner, 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. 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 the Respondent 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 June 30, 2004, Respondent registered with the Securities Commissioner as an investment adviser, which is currently effective. Respondent was previously registered with the Securities Commissioner during various times from October 21, 1998 through December 31, 2002.
3. In connection with the approval of Respondent's application for registration, Respondent consented to the entry of a "Disciplinary Order" based upon unregistered activity by Respondent and two of Respondent's investment adviser representatives. The Disciplinary Order, Order No. IC04-CAF-10, was entered by the Securities Commissioner on or about June 30, 2004.

4. In connection with the June 30, 2004 Disciplinary Order, Respondent entered into an "Undertaking". Pursuant to the Undertaking, Respondent undertook and agreed to take certain measures, including "to engage competent assistance in order to establish, implement and continuously maintain procedures reasonably designed to achieve timely and complete renewals or filings of any required Texas investment adviser registrations for [Respondent] and for its investment adviser representatives."
5. From on or about March 21, 2007 to on or about March 22, 2007, the staff of the Texas State Securities Board, Inspections & Compliance Division, (the "Staff") conducted an inspection (the "Inspection") of Respondent's business activity.
6. Respondent represented to the Staff that immediately after the June 30, 2004 Disciplinary Order Respondent implemented un-written internal measures for the purpose of achieving timely and complete renewals of all required registrations.
7. However, at the time of the Inspection, Respondent had not established any written procedures reasonably designed to supervise the activities of its investment adviser representatives.
8. Pursuant to § 116.10 of the Rules and Regulations of the Texas State Securities Board (the "Board Rules"), a registered investment adviser "shall establish and maintain a system to supervise the activities of its investment adviser representatives that is reasonably designed to achieve compliance with the Texas Securities Act and Board rules." Section 116.10 of the Board Rules further states that "Supervisory systems must be written and available for inspection in either print or electronic format."
9. On or about May 23, 2007, Respondent established written supervisory procedures.

CONCLUSIONS OF LAW

1. Respondent's failure to establish any written procedures, including written procedures reasonably designed to achieve timely and complete renewals or filings of any necessary and required registrations, was a failure to establish a supervisory system that is reasonably designed to achieve compliance with the Texas Securities Act and Board Rules, and was a violation of § 116.10 of the Board Rules.
2. Pursuant to Sections 14.A(6) of the Texas Securities Act, the foregoing violation of a Board Rule constitutes a basis for the issuance of an order reprimanding Respondent.
3. Pursuant to Section 23-1.A(3) of the Texas Securities Act, the foregoing violation of a Board Rule constitutes a basis for the issuance of an order assessing an administrative fine against Respondent.

ORDER

1. It is therefore ORDERED that Legacy Harbor is hereby REPRIMANDED.
2. It is further ORDERED that Legacy Harbor is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Nine Thousand Dollars (\$9,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Nine Thousand Dollars (\$9,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

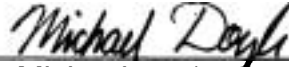
SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 23rd
day of October, 2007.



DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:

Legacy Harbor



By: Michael Doyle, Partner

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division

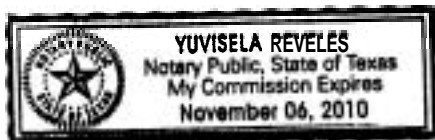


Ronak V. Patel
Attorney
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 15 day of October, 2007, Legacy Harbor ("Respondent"), by and through Michael Doyle, a Partner, personally appeared before me, executed the foregoing Order, and acknowledged that:

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



[affix notary seal here]

Yuvisele Reveles
Notary Public in and for
the State of Texas

My commission expires on: 11/6/2010