

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

JOHN R. MORGAN
DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

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DERRICK MITCHELL
MEMBER

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MEMBER

IN THE MATTER OF THE INVESTMENT
ADVISER REGISTRATION OF
CALANDRO ADVISORY SERVICES, INC. §
§
§

Order No. IC09-CAF-09

TO: John Calandro, III, Chief Compliance Officer
Calandro Advisory Services, Inc. (CRD No. 116096)
3500 Maple Ave., Suite 1120
Dallas, TX 75219

DISCIPLINARY ORDER

Be it remembered that Calandro Advisory Services, Inc. ("Respondent CAS"), by and through John Calandro, III, its Chief Compliance Officer, 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 Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2008) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon 2000 & Supp. 2008) ("Administrative Procedure Act").
2. On or about June 17, 1994, Respondent CAS registered with the Securities Commissioner as an investment adviser, which is currently effective.
3. On or about September 28, 2007, Kenneth Derek Thomson ("Thomson") registered with the Securities Commissioner as an investment adviser representative of Respondent CAS, which is currently effective.
4. The Staff of the Texas State Securities Board ("Staff") performed an inspection of Respondent CAS on or about November 6, 2007 and November 7, 2007 ("Inspection").

5. During the course of the Inspection, Staff discovered that from on or about April 8, 2003 to on or about September 28, 2007, without first being registered as an investment adviser representative, Thomson provided investment advisory services on behalf of Respondent CAS.
6. During the course of the Inspection, Staff also discovered that from on or about October 31, 2006 to the date of Staff's Inspection, Respondent CAS had an inadequate system in place to supervise its investment adviser representatives.
7. Pursuant to Section 14.A(5)(b) of the Texas Securities Act, the Securities Commissioner may reprimand an investment adviser registered under the Texas Securities Act if the investment adviser has engaged in rendering services as an investment adviser in this state through a representative who is not registered as required by the Texas Securities Act.
8. Pursuant to § 116.10 of the Board Rules, an investment adviser is required to 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.
9. Pursuant to Section 14.A(6) of the Texas Securities Act, the Securities Commissioner may reprimand a person registered under the Texas Securities Act if the person has violated any of the provisions of the Texas Securities Act or Board Rules.
10. Pursuant to Section 23-1 of the Texas Securities Act, the Securities Commissioner may assess an administrative fine against any person found to have engaged in an act or practice that violates the Texas Securities Act or a Board Rules.

CONCLUSIONS OF LAW

1. Respondent CAS' providing investment advisory services through a representative who was not registered to perform such services for Respondent CAS constitutes a basis for the issuance of an order reprimanding an investment adviser pursuant to Section 14.A(5)(b) of the Texas Securities Act.
2. Respondent CAS' failure to 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 constitutes a violation of § 116.10 of the Board Rules.
3. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violation constitutes the basis for the issuance of an order reprimanding an investment adviser.
4. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violation constitutes the basis for the issuance of an order assessing an administrative fine against an investment adviser.

ORDER


1. It is therefore ORDERED that Calandro Advisory Services, Inc. is hereby REPRIMANDED.
2. It is further ORDERED that Calandro Advisory Services, Inc. is ASSESSED AN ADMINISTRATIVE FINE in the amount of Ten Thousand Dollars (\$10,000). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Ten Thousand Dollars (\$10,000), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that Calandro Advisory Services, Inc. COMPLY with the terms of the Undertaking incorporated by reference herein.

SIGNED AND ENTERED by the Securities Commissioner this 16th day of April, 2009.

Denise Voigt Crawford
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:

Calandro Advisory Services, Inc.



John Calandro, III, Chief Compliance
Officer

Approved as to Form:

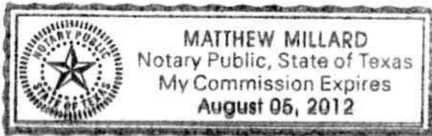


Benette L. Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 14th day of April 2009, 2009, Calandro Advisory Services, Inc. ("Respondent CAS"), by and through John Calandro, III, its Chief Compliance officer, appeared before me, executed the foregoing Order and acknowledged that:

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



Matthew Millard
Notary Public in and for
the State of Texas
[affix notary seal here]
My Commission Expires: 8/5/2012