

JOHN MORGAN
SECURITIES COMMISSIONER



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MEMBER

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DEPUTY SECURITIES COMMISSIONER

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AUSTIN, TEXAS 78711-3167

Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
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Phone: (512) 305-8300
Facsimile: (512) 305-8310

IN THE MATTER OF THE
INVESTMENT ADVISER REGISTRATION
OF VALOR CAPITAL ASSET
MANAGEMENT, LLC

§
§
§
§

Order No. IC16-CAF-14

TO: Robert Mark Magee, President
Valor Capital Asset Management, LLC (CRD No. 114997)
3 Gentlebrook Bend
Austin, Texas 78738

DISCIPLINARY ORDER

Be it remembered that Valor Capital Asset Management, LLC ("Respondent") 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 Facts and the 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. arts. 581-1 to 581-44 (West 2010 & Supp. 2015)("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2015)("Administrative Procedure Act").
2. On November 11, 1998 Respondent registered as an investment adviser with the Securities Commissioner. This registration is currently effective.

Failures to Enforce Procedures

3. Block trading allows an investment adviser to place an aggregate order of stocks for multiple clients at once. All clients in the block trade receive the stock at an average price. Once a block trade is filled the adviser must allocate the stocks to the relevant clients.

4. Between the period from at least January 1, 2014 to February 9, 2015 (the "Relevant Period") Respondent's President, Robert Mark Magee ("Magee"), entered block trades whereby shares were purchased for his personal account along with Respondent's clients.
5. The Form ADV Part 2 includes information about an investment adviser and is required to be provided to clients at the inception of the client relationship and offered at least annually to clients.
6. Respondent's Form ADV Part 2 stated that Respondent and/or Magee may participate in block trades with its clients.
7. In recognition of the potential conflict of interest created by the allowing Respondent and Magee to participate in block trades with clients, Respondent's written supervisory procedures require that Magee pre-allocate such block trades and retain records of the pre-allocation of the block trade.
8. Respondent did not always pre-allocate block trades and never retained a record of how any block trades in which Robert Mark Magee participated were pre-allocated.

CONCLUSIONS OF LAW

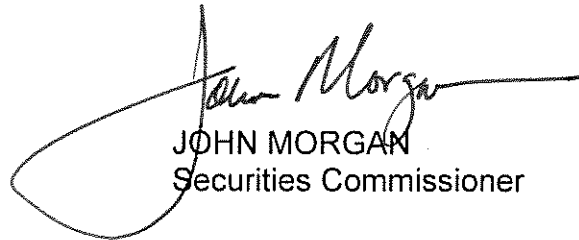
1. Respondent's failure to ensure that block trades were pre-allocated and that records of such pre-allocation were maintained constitute failures to enforce Respondent's written supervisory procedures, and are violations of §116.10 of the Rules and Regulations of the Texas State Securities Board ("Board Rules").
2. Pursuant to Section 14.A(6) of the Texas Securities Act, Respondent's violation of a Board Rule constitutes a basis to reprimand Respondent.
3. Pursuant to Section 23-1 of the Texas Securities Act, the aforementioned violations of a Board Rule constitute bases for the assessment of an administrative fine against Respondent.

ORDER

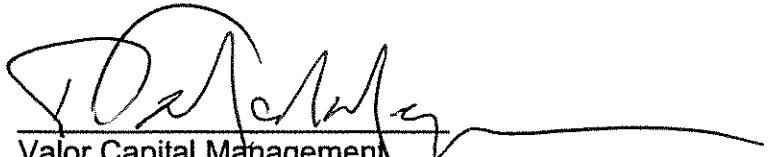
1. It is therefore ORDERED that Valor Capital Asset Management, LLC is hereby REPRIMANDED.

2. It is further ORDERED that Valor Capital Asset Management, LLC is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Forty-eight Thousand Dollars (\$48,000). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Forty-eight Thousand Dollars payable to the State of Texas, within ten (10) days of the entry of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 8th
day of August, 2016.


JOHN MORGAN
Securities Commissioner

Respondent:



Valor Capital Management
By: Robert Mark Magee, President

Approved as to Form:

Ronak V. Patel
Deputy Securities Commissioner

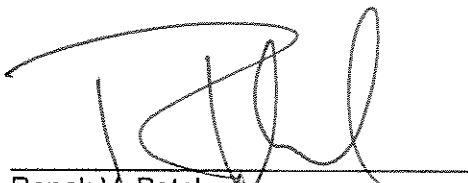
Nelson S. Ebaugh
Attorney for Respondents

Callie A. Hester
Attorney, Inspections and Compliance Division

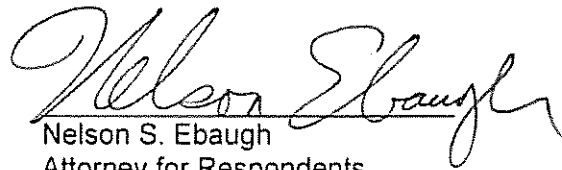
Respondent:

Valor Capital Management
By: Robert Mark Magee, President

Approved as to Form:



Ronak V. Patel
Deputy Securities Commissioner



Nelson S. Ebaugh
Attorney for Respondents

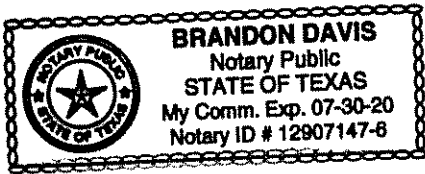


Callie A. Hester
Attorney, Inspections and Compliance Division

ACKNOWLEDGMENT

On the 5 day of August, 2016, Valor Capital Asset Management, LLC. ("Respondent"), by and through Robert Mark Magee, its President appeared before me, executed the foregoing Order, and acknowledged that:

1. Robert Mark Magee is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Robert Mark Magee 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]

Brandon Davis
Notary Public in and for
the State of Texas

My commission expires on: 07/30/20