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AUSTIN, TEXAS 78711-3167

## *Texas State Securities Board*

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208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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MIGUEL ROMANO, JR.  
MEMBER

IN THE MATTER OF  
OLD SECURITY FINANCIAL GROUP, INC.;  
DONALD ANTHONY MACKENZIE; AND  
ROBERT S. DAVIS, JR

§  
§  
§  
§

**Order No. ENF-17-CDO-1748**

TO: Old Security Financial Group, Inc.  
18 Augusta Pines Drive, Suite 200-E, Spring, Texas 77389, and  
c/o Benette L. Zivley, 900 E. Pecan Street, Suite 300-#291, Pflugerville, Texas 78660

Donald Anthony MacKenzie  
18 Augusta Pines Drive, Suite 200-E, Spring, Texas 77389, and  
c/o Benette L. Zivley, 900 E. Pecan Street, Suite 300-#291, Pflugerville, Texas 78660

Robert S. Davis, Jr.  
18 Augusta Pines Drive, Suite 200-E, Spring, Texas 77389, and  
c/o Benette L. Zivley, 900 E. Pecan Street, Suite 300-#291, Pflugerville, Texas 78660

### **AGREED ORDER SETTING ASIDE ORDER NO. ENF-15-CDO-1740**

Be it remembered that Old Security Financial Group, Inc., by and through its owner, Donald Anthony MacKenzie, Donald Anthony MacKenzie, individually, and Robert S. Davis, Jr., individually (collectively "Respondents"), 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 FACTS**

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. arts. 581-1 to 581-44 (West 2010 & Supp. 2016) ("Texas Securities Act"), and the Administrative Procedure Act, (Tex. Gov't Code Ann. §2001.001 to 2001.902 (West 2008 & Supp. 2016) ("Administrative Procedure Act)).

2. Old Security Financial Group, Inc. ("Respondent Old Security"), is a Texas domestic business corporation and maintains a last known address at 18 Augusta Pines Drive, Suite 200-E, Spring, Texas 77389. Benette L. Zivley, Esq., who maintains a last known address at 900 E. Pecan Street, Suite 300-#291, Pflugerville, Texas 78660, represents Respondent Old Security in connection with this matter.
3. Donald Anthony MacKenzie ("Respondent MacKenzie") is the Owner and President of Respondent Old Security. He maintains a last known address at 18 Augusta Pines Drive, Suite 200-E, Spring, Texas 77389. Benette L. Zivley, Esq., who maintains a last known address at 900 E. Pecan Street, Suite 300-#291, Pflugerville, Texas 78660, represents Respondent Old MacKenzie in connection with this matter.
4. Robert S. Davis, Jr. ("Respondent Davis") is the Vice President of Respondent Old Security. He maintains a last known address at 18 Augusta Pines Drive, Suite 200-E, Spring, Texas 77389. Benette L. Zivley, Esq., who maintains a last known address at 900 E. Pecan Street, Suite 300-#291, Pflugerville, Texas 78660, represents Respondent Davis in connection with this matter.
5. Respondents have offered for sale and sold First Position Commercial Mortgage Notes ("The Note Program") in Texas.
6. On July 17, 2015, the Securities Commissioner entered Emergency Cease and Desist Order No. ENF-15-CDO-1740 ("the Emergency Order") against Respondents and other parties. The Emergency Order has remained in full force and effect through the date of the entry of this Order against the Respondents.
7. On or about August 20, 2015, Respondents filed a timely request for a hearing to modify or set aside the Emergency Order.
8. By executing this Order, and upon entry of this Order by the Securities Commissioner, Respondents withdraw their request for a hearing at the State Office of Administrative Hearings ("SOAH") solely as that request relates to Respondents Old Security, MacKenzie, and Davis as the parties have settled all matters in controversy. The matter will not be set for hearing on SOAH's docket with respect to Respondents Old Security, MacKenzie, and Davis and will not be subject to appeal by Respondents.

### **CONCLUSIONS OF LAW**

1. The Note Program investment is a "security" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents 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 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 an Agreed Order pursuant to Section 23.A of the Texas Securities Act.
5. Pursuant to Section 23-1 of the Texas Securities Act, the aforementioned violations constitute bases for the assessment of an administrative fine against Respondents.

### ORDER

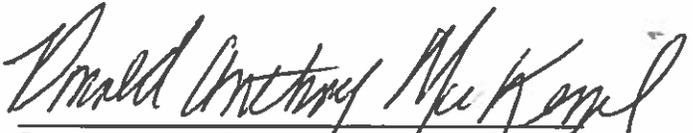
1. It is therefore ORDERED that the Emergency Cease and Desist Order, Order No. ENF-15-CDO-1740, is set aside by this Agreed Order solely and exclusively as to Respondents Old Security, MacKenzie, and Davis.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering for sale or selling The Note Program in Texas until The Note Program is registered with the Securities Commissioner or is offered for sale and sold pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering for sale or selling The Note Program in Texas until Respondents are registered with the Securities Commissioner as dealers or agents or an available exemption from registration is utilized.
4. It is further ORDERED Respondents shall pay an ADMINISTRATIVE FINE in the amount of One Hundred Thousand Dollars (\$100,000). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of One Hundred Thousand Dollars (\$100,000) payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED by the Securities Commissioner this 3rd day of October, 2016.

  
\_\_\_\_\_  
JOHN MORGAN  
Securities Commissioner

Respondents:

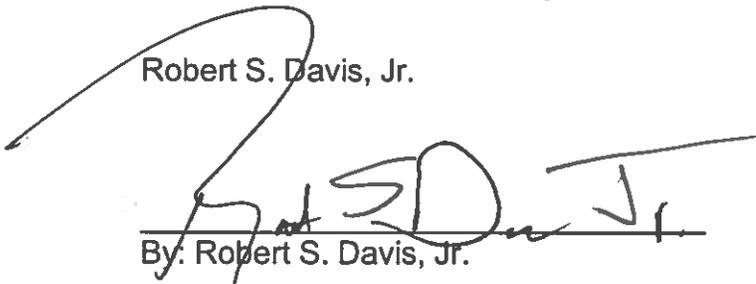
Old Security Financial Group, Inc.

  
By: Donald Anthony MacKenzie, President

Donald Anthony MacKenzie:

  
By: Donald Anthony MacKenzie, Individually

Robert S. Davis, Jr.

  
By: Robert S. Davis, Jr.

Approved as to Form:

  
Joseph J. Rotunda  
Director  
Enforcement Division

  
Benette L. Zivley, Esq.  
Attorney for Respondents  
900 E. Pecan Street, Suite 300-#291  
Pflugerville, Texas 78660

**ACKNOWLEDGEMENT**

On the 26<sup>th</sup> day of September, 2016, Old Security Financial Group, Inc. ("Respondent Old Security"), by and through its President, Donald Anthony MacKenzie, personally appeared before me, executed the foregoing Order and acknowledged that:

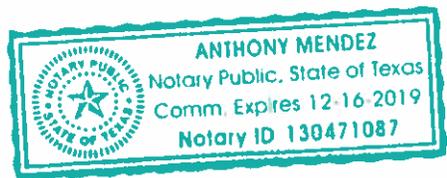
1. Donald Anthony MacKenzie is authorized to enter into the foregoing Order on behalf of Respondent Old Security;
2. Donald Anthony MacKenzie has read the foregoing Order;
3. Respondent Old Security has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;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



\_\_\_\_\_  
Notary Public in and for  
the State of Texas

[affix notary seal here]

My commission expires: 12-16-2019



**ACKNOWLEDGEMENT**

On the 26<sup>th</sup> day of September, 2016, Donald Anthony MacKenzie ("Respondent MacKenzie") personally appeared before me, executed the foregoing Order and acknowledged that:

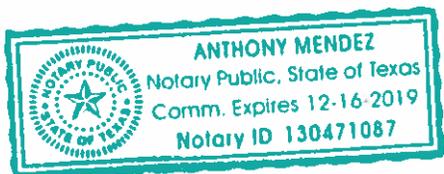
1. Respondent MacKenzie has read the foregoing Order;
2. Respondent MacKenzie has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent MacKenzie knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent MacKenzie, 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]

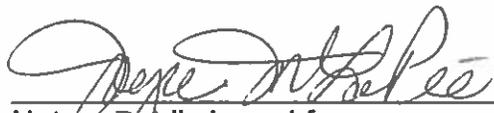
My commission expires: 12-16-2019



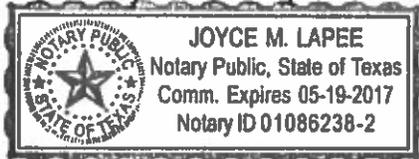
**ACKNOWLEDGEMENT**

On the 26 day of September, 2016, Robert S. Davis, Jr. ("Respondent Davis") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent Davis has read the foregoing Order;
2. Respondent Davis has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Davis 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 Davis, 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: 05-19-2017