

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



NICHOLAS C. TAYLOR  
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JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

## State Securities Board

JOSE ADAN TREVINO  
MEMBER

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KENNETH W. ANDERSON, JR.  
MEMBER

SSB Docket No. 99-046

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IN THE MATTER OF  
JAMES E. ALTMAN

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§  
§

Order No. CDO-1375

TO: Mr. James E. Altman  
1402 Lofty Maple Trail  
Kingwood, Texas 77345

### CEASE AND DESIST ORDER

Be it remembered that James E. Altman ("Respondent") 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 Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 1999)("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 1999)("Administrative Procedure Act").
2. Respondent formed SOES We Go Limited Partnership ("Partnership"). Respondent served as the General Partner of the Partnership. Respondent and other individuals invested money for the purpose of acquiring interests in the Partnership.
3. The primary purpose of the Partnership was to engage in daytrading stocks with its assets.
4. Respondent entered into an agreement with the Partnership to daytrade stocks for

the Partnership in exchange for a percentage of any trading profits generated.

5. Respondent daytraded stocks for the Partnership for compensation, without being registered with the Securities Commissioner as required by Section 12 of the Texas Securities Act and Rule 115.1(a)(3) of the Rules and Regulations of the State Securities Board ("Board Rules").
6. Respondent lost virtually all of the Partnership's assets through daytrading.

#### CONCLUSIONS OF LAW

1. Providing analysis and advice to others regarding the purchase and sale of stocks, for compensation as described in Finding of Fact No. 4, including trading the account of a partnership, another individual, or other entity, constitutes rendering services as an investment adviser, which requires registration with the Securities Commissioner as such pursuant to Section 12 of the Texas Securities Act and Rule 115.1(a)(3) of the Rules and Regulations of the State Securities Board ("Board Rules") unless exempt.
2. Pursuant to Section 4.C of the Texas Securities Act, every person that engages in rendering services as an investment adviser is acting as a dealer.
3. The foregoing violations constitute bases for the issuance of a cease and desist order pursuant to Section 23.A of the Texas Securities Act.

#### UNDERTAKING

1. Respondent agrees to deliver written notification to the Director of Enforcement of the State Securities Board at least 10 business days prior to acting as a dealer in the future, including, but not limited to, daytrading securities for a partnership, another individual, or other entity for compensation. Such notification shall specifically state the dealer registration exemption(s) within the Texas Securities Act relied upon by Respondent, and all facts relied upon in asserting such exemption(s).

#### ORDER

1. It is therefore ORDERED that Respondent CEASE AND DESIST from acting as a dealer unless registered with the Securities Commissioner or exempt from the dealer registration requirements of the Texas Securities Act.
2. It is further ORDERED that Respondent COMPLY with the terms of the above Undertaking.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this <sup>10<sup>th</sup></sup> ~~2<sup>nd</sup>~~ day  
of November, 1999.

*Denise Voigt Crawford*

DENISE VOIGT CRAWFORD  
Securities Commissioner

Respondent:  
James E. Altman

By: *James E. Altman*  
James E. Altman

Approved as to Form:

*Charles S. Gunst for*

Michael S. Gunst  
Director  
Dealer Registration Division

*Charles S. Neal*  
Charles S. Neal  
Assistant Director  
Enforcement Division

**ACKNOWLEDGMENT**

On the 2<sup>nd</sup> day of November, 1999, James E. Altman personally appeared before me, executed the foregoing Order and acknowledged that:

1. James E. Altman has read the foregoing Order;
2. James E. Altman has been fully advised of his rights under The Securities Act and the Administrative Procedure Act;
3. James E. Altman knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. James E. Altman, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived Respondent's rights as set forth therein.



TERRI HOWARD  
Notary Public in and for  
the State of TEXAS

My commission expires on: 1-29-00