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SECURITIES COMMISSIONER



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JACK D. LADD
MEMBER

SSB Docket No. 02-02

IN THE MATTER OF THE
INVESTMENT ADVISER REGISTRATION
OF JAMES FRANKLIN FORRESTER
d.b.a. FORRESTER FINANCIAL ADVISORS

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§

Order No. CAF-1447

TO: Mr. James Franklin Forrester
d.b.a. Forrester Financial Advisors (File #28206)
5310 Harvest Hill, Suite 146
Dallas, Texas 75230

DISCIPLINARY ORDER REPRIMANDING AN AGENT AND UNDERTAKING

Be it remembered that James Franklin Forrester d.b.a. Forrester Financial Advisors ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking 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. 2002) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon Supp. 2002) ("Administrative Procedure Act").
2. Respondent is currently registered with the Securities Commissioner as an investment advisor.
3. Respondent was approved for registration on September 19, 1996, as a sole proprietor investment adviser with the Securities Commissioner. The registration was conditioned upon Respondent entering into a Consent Order ("Consent Order") with the Securities Commissioner for conducting investment advisory activities within the State of Texas without being registered.

4. Form ADV, Part 1, questions 11(D)(2), 11(D)(3), 11(D)(4) and 11(D)(5) require affirmative responses where a state regulatory agency has found an applicant to have been in violation of investment regulations or statutes, where a state regulatory agency has found an applicant to be the cause of an investment-related business having its authorization to conduct activities suspended, a party that has had a regulatory order entered against it, and a party that has been disciplined by restricting its investment-related activities, respectively.
5. Respondent has filed four ADV amendments since 1996, but none of the amendments disclose the Consent Order with the Securities Commissioner.
6. The first ADV amendment received November 1, 1996, discloses a pending court proceeding initiated by Concorde Financial Corporation ("Concorde") claiming that Respondent tortiously interfered with Concorde's prospective business relationships, breached fiduciary duties, and was unjustly enriched while employed with Concorde.
7. On or about March 10, 1998, a judgment was entered against Respondent in connection with Concorde's lawsuit and included a finding of fraud.
8. Subsequent to this judgment, Respondent filed two additional ADV amendments, neither of which disclosed the judgment or fraud finding.
9. On or about July 27, 2001, Respondent filed Part 1 of Form ADV in the IARD system. This filing did not reflect required affirmative answers in Part 1 A, Items 11(D)(2), 11(D)(3), 11(D)(4) and 11(D)(5). These items require disclosure where a state regulatory agency has: (i) found an applicant to be in violation of investment-related regulations or statutes; (ii) found an applicant to have been a cause of an investment-related business' authorization to do business being suspended; (iii) entered an order against the applicant in connection with an investment-related activity; and (iv) suspended an applicant's registration. This filing also did not reflect an affirmative response for applicants who had been adjudged civilly liable of fraud, as required by Part 1 B, Item 2(F)(2) of Form ADV.
10. Pursuant to Section 101.2(c) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), certain forms required to be filed with the Securities Commissioner, including the Form ADV, have been adopted as Board Rules.

UNDERTAKING

Respondent hereby agrees to immediately file the Form ADV amendments to accurately reflect required affirmative answers based upon the Consent Order entered into with the Securities Commissioner on September 19, 1996, and to similarly amend disclosures pertaining to the judgment entered in Concorde's favor.

CONCLUSIONS OF LAW

1. A failure to disclose or update required information or previously disclosed information on Form ADV constitutes a violation of Section 116.9(a)(1) of the Board Rules.
2. Pursuant to Sections 14.A(3) and 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding an investment adviser.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order assessing an administrative fine against an investment adviser.

ORDER

1. It is therefore ORDERED that James Franklin Forrester is hereby REPRIMANDED.
2. It is further ORDERED that James Franklin Forrester is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Hundred Dollars (\$500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Hundred Dollars (\$500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that James Franklin Forrester comply with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 11th day
of February, ~~2001~~ 2002


DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:


James Franklin Forrester

Approved as to Form:


Michael S. Gunst
Director
Inspections & Compliance Division


David Grauer
Director
Enforcement Division

ACKNOWLEDGMENT

On the 1st day of February, 2008, James Franklin Forrester d.b.a Forrester Financial Advisors ("Respondent") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Respondent has read the foregoing order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained herein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth herein.

Sharon L. Betz
Notary Public in and for
the State of Texas

[affix notary seal here]

My commission expires on: 4-1-02

