

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

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Texas State Securities Board

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SSB Docket No. 04-02

IN THE MATTER OF
PHIL HEAD; HARRIS I. STRONG
AND RITA BRYCHTA

§
§
§

Order No. ENF 04-CDO-1552

TO: Phil Head
9219 Katy Freeway, Suite 220
Houston, Texas 77024

Harris I. Strong
9219 Katy Freeway, Suite 220
Houston, Texas 77024

Rita Brychta
9219 Katy Freeway, Suite 220
Houston, Texas 77024

AGREED ORDER MODIFYING ORDER NO. CDO-1540 AND AGREED CEASE AND DESIST ORDER

Be it remembered that Phil Head, Harris I. Strong, and Rita Brychta ("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 FACT

1. Respondents have waived (a) Respondents' right to appear and present evidence in this matter; (b) Respondents' right to appeal this Order; and (c) all other procedural rights granted to Respondents by the The Securities Act, TEX. REV. CIV. STAT. ANN. Art 581-1 et seq. (Vernon 1964 & Supp. 2004) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2004) ("Administrative Procedure Act").
2. National CD Brokers aka NCDB is a business located at 9219 Katy Freeway, Suite 220, Houston, Texas 77024.

3. Phil Head, Harris I. Strong, and Rita Brychta are representatives of NCDB, whose last known business address is the same as NCDB.
4. Respondents from their offices at 9219 Katy Freeway, Suite 220, Houston, Texas 77024, offered potential clients FDIC insured certificates of deposit in Texas through advertisements in newspapers of general circulation. These offerings were promotions to attract new clients. Respondents would assist their potential clients in acquiring certificates of deposit online from FDIC insured domestic United States Banks. In order to insure that the customers received the interest rates quoted, Respondents would make up the principal amount invested by the customer with their own funds. In other words, if the advertisement offered a 3.25% return on a \$10,000 twelve month certificate of deposit, and the best rate offered by a bank was 2.2%, Respondents would add whatever was necessary for the customer to obtain a 3.25% yield on his \$10,000 investment.
5. For the period from June 1, 1998, to the present, Respondents have not been registered to offer or sell securities or to render investment advice in Texas.
6. On September 23, 2003, the Securities Commissioner of the State of Texas issued Emergency Cease and Desist Order CDO-1540, SSB Docket No. 03-043 (the "Emergency Order") against Respondents based on the conduct, events and circumstances identified above. The Emergency Order has continued in force and effect from September 23, 2003, through the date that this Order is entered by the Securities Commissioner.
7. By executing this Order and upon entry of the Order by the Securities Commissioner, Respondents agree that their request for a hearing on the Emergency Order is withdrawn and non-appealable and that they will not oppose dismissal of the proceeding from the docket of the State Office of Administrative Hearings.

CONCLUSIONS OF LAW

1. The above-referenced investments offered by Respondents are "securities" as that term is defined in Section 4.A of The Securities Act, to wit; evidences of indebtedness.
2. Respondents are acting as "dealers" or "agents" as those terms are defined in Sections 4.C and 4.D of The Securities Act.
3. Respondents violated Section 7 of The Securities Act by offering securities for sale in Texas without the securities being registered pursuant to the provisions of Section 7 of The Securities Act.
4. Respondents violated Section 12 of The Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of The Securities Act.

5. Pursuant to Section 23.A of the Texas Securities Act, the foregoing violations constitute bases for the issuance of a Cease and Desist Order against Respondents.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from the offer and sale of securities in Texas until such securities are registered with the Securities Commissioner or an available exemption from registration is utilized.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from the offer and sale of securities in Texas until Respondents are registered with the Securities Commissioner or an available exemption from registration is utilized.
3. It is further ORDERED that Emergency Cease and Desist Order CD)-1540, SSB Docket 03-043, is modified by this Order solely and exclusively as the Emergency Order relates to Respondents.

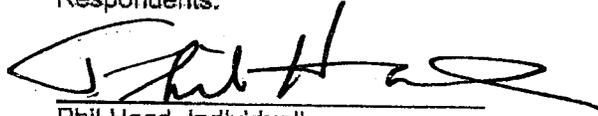
SIGNED AND ENTERED by the Securities Commissioner this 21st day of

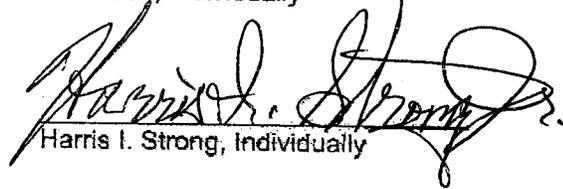
January, 2004.

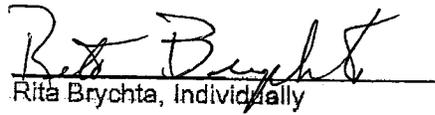
Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner

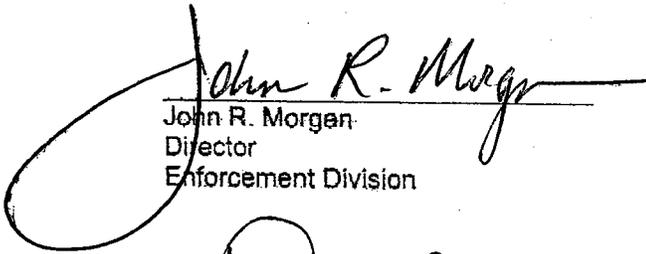
Respondents:

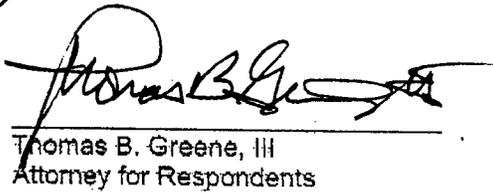

Phil Head, Individually


Harris I. Strong, Individually


Rita Brychta, Individually

Approved as to Form:

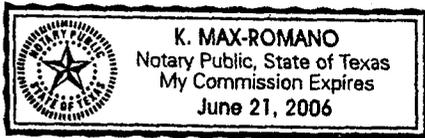

John R. Morgan
Director
Enforcement Division


Thomas B. Greene, III
Attorney for Respondents

ACKNOWLEDGMENT

On the 8th day of January, 2004, Phil Head ("Respondent Head") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent Head has read the foregoing Order;
2. Respondent Head has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Head 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 Head, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



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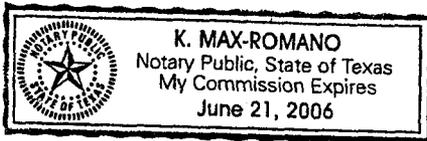
K. Max Romano
 Notary Public in and for
 the State of Texas

My commission expires on: 6-21-06

ACKNOWLEDGMENT

On the 8th day of January, 2004, Harris I. Strong ("Respondent Strong") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent Strong has read the foregoing Order;
2. Respondent Strong has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Strong 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 Strong, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



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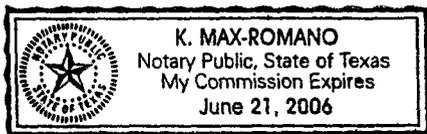
K. Max Romano
 Notary Public in and for
 the State of Texas

My commission expires on: 6-21-04

ACKNOWLEDGMENT

On the 8th day of January, 2004, Rita Brychta ("Respondent Brychta") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent Brychta has read the foregoing Order;
2. Respondent Brychta has been fully advised of her rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Brychta 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 Brychta, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived her rights as set forth therein.



[affix notary seal here]

K. Max-Romano

 Notary Public in and for
 the State of Texas

My commission expires on: 6-21-06