

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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IN THE MATTER OF  
RONALD RAE BARRICK

§  
§

Order No. ENF-04-CDO-1564

TO: Ronald Rae Barrick  
15907 Booth Circle  
Leander, TX 78641

### AGREED CEASE AND DESIST ORDER

Be it remembered that Ronald Rae Barrick ("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. 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. At all times relevant to this Order, Respondent has had a residence at 15907 Booth Circle, Leander, TX 78641.
3. From on or about April, 2004, Respondent engaged in the offer for sale of an investment scheme whereby Respondent would use investor funds to purchase properties at foreclosure sales and that if the property was redeemed within 60 days, Respondent would receive a 10% return and the investor would receive a 15% return, and if the property was not redeemed within 60 days, Respondent would "flip" the property and Respondent and investor would split the profits 50/50 ("Foreclosure Investment Program"). Respondent solicited Texas investors through advertisements in the Austin American-Statesman newspaper.
4. The Foreclosure Investment Program has not been registered by qualification, notification or coordination and no permit has been granted for its sale in Texas.

5. Respondent has not been registered with the Securities Commissioner as a dealer or agent at any time material hereto.
6. In connection with the offer for sale of the above-described Foreclosure Investment Program, Respondent is intentionally failing to disclose the following material facts:
  - a) Respondent is a disbarred Texas attorney, whose Final Judgment Of Disbarment is Docket No. 07696, styled In the Matter of Ronald Rae Barrick State Bar Card No. 01816450, Before the Supreme Court of Texas, Board of Disciplinary Appeals;
  - b) Respondent was convicted of, inter alia, conspiracy to defraud in Case Number A-94-CR-010(1)-SS, styled United States of America v. Ronald Rae Barrick, United States District Court, Western District of Texas, Austin Division;
  - c) Respondent was sentenced to 63 months in federal prison; and
  - d) Respondent was ordered to pay \$1,804,879.99 in restitution.

#### CONCLUSIONS OF LAW

1. The above-described Foreclosure Investment Program is a "security" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondent is violating Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondent is violating 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. Respondent is engaging in fraud in connection with the offer for sale of securities.
5. The foregoing violations constitute bases for the issuance of an Agreed Cease and Desist Order pursuant to Section 23.A of the Texas Securities Act.

#### ORDER

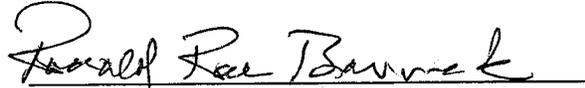
1. It is therefore ORDERED that Respondent immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondent immediately CEASE AND DESIST from acting as a securities dealer or agent in Texas until Respondent is registered with the Securities Commissioner or is acting pursuant to an exemption from registration under the Texas Securities Act.

3. It is further ORDERED that Respondent immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.

SIGNED AND ENTERED by the Securities Commissioner this 17<sup>th</sup> day of June, 2004.

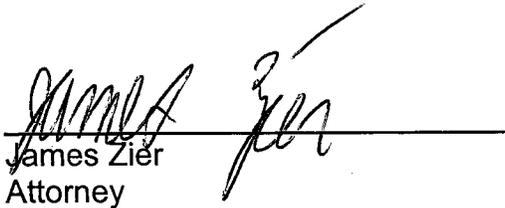
*Denise Voigt Crawford*  
DENISE VOIGT CRAWFORD  
Securities Commissioner

RESPONDENT:

  
\_\_\_\_\_  
Ronald Rae Barrick

Approved as to Form:

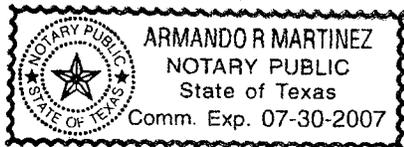
  
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John R. Morgan  
Director  
Enforcement Division

  
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James Zier  
Attorney  
Enforcement Division

**ACKNOWLEDGMENT**

On the 10<sup>th</sup> day of June, 2004, Ronald Rae Barrick ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent 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 the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



Handwritten signature of Armando R. Martinez in black ink.

Notary Public in and for  
The State of Texas

My commission expires on: 7/30/07