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SOAH DOCKET NO. 312-09-3970

IN THE MATTER OF
THE STAMFORD GROUP, INC.;
STAMFORD PORTFOLIO MANAGEMENT, LLC;
STAMFORD GROUP 2004C, LLC;
DEBORAH A. WILCOX; KEITH HOLCOMB;
AND DAVID R. JUNG

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ORDER NO. ENF-CDO-1699

TO: The Stamford Group, Inc.
19200 Von Karman Avenue, Suite 400, Irvine, California 92612; and
5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; and
101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126; and
P.O. Box 27740, Las Vegas, Nevada 89126

Stamford Portfolio Management, LLC
5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707

Stamford Group 2004C, LLC
5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707

Deborah A. Wilcox
19200 Von Karman Avenue, Suite 400, Irvine, California 92612; and
5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; and
101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126; and
P.O. Box 27740, Las Vegas, Nevada 89126

David R. Jung
19200 Von Karman Avenue, Suite 400, Irvine, California 92612; and
5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; and
101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126; and
P.O. Box 27740, Las Vegas, Nevada 89126

Keith Holcomb
19200 Von Karman Avenue, Suite 400, Irvine, California 92612; and
5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; and
101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126; and
P.O. Box 27740, Las Vegas, Nevada 89126

ORDER MODIFYING EMERGENCY CEASE AND DESIST ORDER

The Securities Commissioner ("Commissioner"), after consideration of the Proposal for Decision ("PFD") issued by the Administrative Law Judge ("ALJ") at the State Office of Administrative Hearings on August 16, 2010, adopts all of the ALJ's findings of fact and conclusions of law with some modifications to the PFD as described below.

STATEMENT OF THE CASE

On April 2, 2009, the Commissioner issued an Emergency Cease and Desist Order ("Emergency Order"), Order No. ENF-09-CDO-1671, to the Stamford Group, Inc. ("SGI"); Stamford Portfolio Management, LLC ("SPM"); Stamford Group 2004C, LLC ("SG4C"); Deborah A. Wilcox ("Wilcox"); David R. Jung ("Jung"); Keith Holcomb whose surname was misspelled as Holcombe in the Emergency Order ("Holcomb"); Rhino Financial, Inc. ("Rhino") and Donald J. Brumfield ("Brumfield"). She ordered them to cease and desist:

1. 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. Acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. Engaging in any fraud in connection with the offer for sale of any security in Texas.
4. Offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

Rhino and Brumfield did not contest the Emergency Order, and it is final and not subject to appeal as it relates to Rhino and Brumfield. Therefore, Findings of Fact, Conclusions of Law and Orders of the Emergency Order, as they relate to Rhino and Brumfield, are not relevant to and are not the subject of this Order.

On April 30, 2009, Respondents SGI, SPM, SG4C, Wilcox, Jung and Holcomb (collectively referred to as "Respondents") requested a hearing to set aside the Emergency Order.

On May 5, 2009, the Texas State Securities Board Staff ("Staff") issued a notice of hearing to Respondents, advising that the hearing would be held by a SOAH Administrative Law Judge (previously identified herein as the "ALJ"). On June 7, 2010, a hearing on the merits was convened with ALJ Rebecca S. Smith presiding. Staff was represented by Director of Enforcement Joseph Rotunda and Attorney Scott Holter. Respondents appeared *pro se*. The hearing concluded on June 9, 2010, but the record did not close until July 15, 2010, after written closing briefs were submitted.¹

¹ In the ALJ's Proposal for Decision, she notes that Respondents' closing briefs and replies contain information that was not presented at the hearing and was not made under oath; and therefore,

The ALJ issued a Proposal for Decision (previously identified herein as the “PFD”) on August 16, 2010. On September 3, 2010, Staff filed its exceptions to the proposed decision of the ALJ. On October 15, 2010, Respondents SPM, SG4C, Wilcox and Jung filed their exceptions to the proposed decision of the ALJ and filed a reply to Staffs’ exceptions. Respondent Holcomb filed a separate reply and objection to Staffs’ exceptions to the PFD on October 15, 2010. On October 29, 2010, Staff filed separate replies to the exceptions filed by Respondents SPM, SG4C, Wilcox and Jung and to the reply and objection filed by Respondent Holcomb. On November 15, 2010, Respondents SPM, SG4C, Wilcox and Jung filed a second reply on Staffs’ exceptions to the PFD. At the request of the ALJ, Staff filed a response to the second reply on December 10, 2010. The ALJ responded to the Staffs’ and Respondents’ exceptions and replies by letter dated January 24, 2011, declining to make any changes to the Findings of Fact or Conclusions of Law contained in the PFD.

The Findings of Fact and Conclusions of Law, as modified by the Commissioner, are as follows:

FINDINGS OF FACT

1. The Commissioner of the Texas State Securities Board (“Board”) entered an Emergency Cease and Desist Order (previously identified herein as the “Emergency Order”) against Respondents the Stamford Group, Inc. (previously identified herein as “SGI”); Stamford Portfolio Management, LLC (previously identified herein as “SPM”); Stamford Group 2004C, LLC (previously identified herein as “SG4C”); Deborah A. Wilcox (previously identified herein as “Wilcox”); Keith Holcomb (previously identified herein as “Holcomb”); and David R. Jung (previously identified herein as “Jung”) on April 2, 2009.
2. The Emergency Order advised Respondents of their right to a hearing.
3. Respondents timely filed a request for hearing.
4. Respondents waived the requirement that the hearing be held within ten days of their receipt of the Emergency Order.
5. On May 5, 2009, Staff sent Respondents a notice of hearing by United States certified mail, return receipt requested. The notice contained a statement of the allegations.
6. SGI purports to be a privately held company that specializes in financial research and investment design in the senior life settlement industry. It maintains last known business addresses at: 19200 Von Karman Avenue, Suite 400, Irvine, California 92612; 5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; 101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126 and P.O. Box 27740, Las Vegas, Nevada 89126.

such information was not considered by the ALJ.

7. SG4C was created for the purpose of acquiring and holding a pool of senior life settlement policies. It maintains a last known business address at 5 Hutton Center Drive, Suite 1400, Santa Ana, California 92707.
8. SPM is the managing member, manager, and only Class II member of SG4C. It maintains a last known business address of 5 Hutton Center Drive, Suite 1400, Santa Ana, California 92707.
9. Wilcox is a Director, the Chief Executive Officer, and the President of Respondent Stamford Group and is the agent for service of process for Respondents SG4C and SPM. She maintains last known business addresses at 19200 Von Karman Avenue, Suite 400, Irvine, California 92612; 5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; 101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126 and P.O. Box 27740, Las Vegas, Nevada 89126.
10. Jung is the Vice President of Business Development and Agency Sales for Respondent SGI. He maintains last known business addresses at: 19200 Von Karman Avenue, Suite 400, Irvine, California 92612; 5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92702; 101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126 and P.O. Box 27740, Las Vegas, Nevada 89126.
11. Holcomb is a Certified Public Accountant and the Chief Financial Officer for Respondent SGI. He maintains last known business addresses at: 19200 Von Karman Avenue, Suite 400, Irvine, California 92612; 5 Hutton Center Drive, Penthouse Suite 1400, Santa Ana, California 92707; 101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89126 and P.O. Box 27740, Las Vegas, Nevada 89126.
12. Respondents are offering Class I membership interests in SG4C in Texas. Investors are required to purchase a minimum investment of one Class I membership interest for \$50,000.00. The offering commenced in or around January 2006 and involves an aggregate offering of 1,000 Class I membership interests with a maximum offering amount of \$50,000,000.00.
13. Respondents are representing that the investment involves the management of a portfolio of senior life settlements, and they are describing it as follows:
 - A. Investor Funds are being used to purchase a portfolio of senior life settlement policies. Investors are told that they will receive preferred distributions in an amount equal to their original capital investment plus a twelve percent annual cumulative non-compounded return on their capital investment, with the potential for additional returns, from the proceeds of death benefits derived from matured life settlement policies in the portfolio.

- B. SPM is responsible for managing SG4C. SPM is responsible for selecting, acquiring, holding, managing, and disposing of the senior life settlements placed in SG4C. Investors have no voting control over SG4C and no control over SPM.
 - C. SG4C is also using investor funds to establish a reserve fund to pay for premiums or otherwise service the senior life settlements. The initial target reserve fund was valued at fifty percent of the cost of the aggregate future premiums based on the life expectancy of each policy held by SG4C. The target value of the reserve fund is to increase by five percentage points each subsequent year.
 - D. SG4C intends to obtain bonds to guarantee the effective maturity of those life settlements that do not mature during the estimated life expectancy of the insured. SG4C may also acquire reinsurance that guarantees the payment of all premiums for those life settlements that do not mature during the expected life expectancy of the insured.
14. Respondents are about to offer interests in an investment referred to as SG9A in Texas. This investment will also involve the purchase of an interest in an entity that will use investor funds to acquire, service, and manage a portfolio of life settlement contracts.
15. No securities issued by SGI or SG4C have been registered by qualification, notification, or coordination, and no permit has been granted for their sale in Texas.
16. Respondents have not been registered with the Securities Commissioner as dealers or agents at any relevant time.
17. In connection with the offer for sale of the Class I membership interests, Respondents SGI, SPM, SG4C, Wilcox, Jung and Holcomb are intentionally failing to disclose the following material facts: Any risk related to the diminution of value or loss of returns resulting from the sales of life settlement policies to replenish the cash reserves maintained in the premium reserve fund or any risk related to the ability to sell life settlement policies that do not mature prior to December 31, 2013.
18. In connection with the offer for sale of the Class I membership interests:
- A. Respondents SGI, SPM, SG4C, Wilcox, Jung, and Holcomb are intentionally failing to disclose the material facts of the full operational and performance history of SPM, including its record in identifying, acquiring, managing, and generating a profit from life settlement policies.
 - B. Respondents SGI, SPM, SG4C, Wilcox, and Jung are intentionally failing to disclose the material facts of the full terms of the bonding and leveraging elements employed by SG4C.

- C. Respondents SGI, SPM, SG4C, Wilcox, Jung and Holcomb are intentionally failing to disclose the material facts of the capitalization of Respondent SG4C, the amount of investor funds it has received and used to purchase a diversified portfolio of life settlement policies, the number of life settlement policies held by Respondent SG4C, and the terms and value of said life settlement policies
19. In connection with the offer for sale of the Class I membership interests, Respondents SGI, SPM, SG4C, and Wilcox are intentionally failing to disclose the material fact that on or about November 21, 2008, a complaint was filed against Ms. Wilcox and SPM in the Superior Court of California, Orange County, Case No. 30-2008 001151559, that alleged Ms. Wilcox and SPM are liable for breach of contract and breach of fiduciary duty based upon their sale of nonvoting Class I membership interests in Keystone Resort Properties 2005A, LLC.
20. In connection with the offer for sale of the Class I membership interests, Respondents SGI, SPM, SG4C, and Wilcox are intentionally failing to disclose the material fact that on or about April 4, 2008, a Notice of Federal Tax Line, No. 435790208 for \$58,909.22 was filed against Respondent Wilcox.
21. Respondents are making an offer containing statements that are materially misleading or otherwise likely to deceive the public in light of the misrepresented or undisclosed facts identified here.

MODIFICATIONS TO FINDINGS OF FACT

Pursuant to the provisions of Government Code Section 2001.058, the Commissioner has modified the ALJ's Finding of Fact 18 and the rationale for Finding of Fact 18.B.

Reasons for Modifying Finding of Fact 18.A

Under Section 4.F of the Texas Securities Act ("Act"), the elements of engaging in fraud in connection with the offer or sale of a security include:

- (1) the offer or sale of a security; and
- (2) an intentional failure to disclose a material fact, which requires a showing that:
 - (a) the person making the offer or sale had knowledge of a material fact; and
 - (b) the person did not disclose the material fact.

Element 1 - the offer or sale of a security

As the ALJ noted in Finding of Fact 12, all of the Respondents are offering Class I membership interests in SG4C in Texas which, in Conclusion of Law 7, the ALJ concluded are securities.

Element 2 - intentional failure to disclose a material fact

There is substantial evidence that all of the Respondents, including Holcomb, had knowledge of the full operational and performance history of SPM, including its record in identifying, acquiring, managing and generating a profit from life settlement policies. See Reporter's Record p. 477 (Holcomb was SGI's Treasurer and CPA as well as the CPA for SG4C and SPM), pp. 480-81 (Holcomb testifying that his duties to SPM, SGI and SG4C included accounting aspects and to make sure the bills were paid, including premium payments), p. 492 (Holcomb testifying that to his knowledge, no policies have matured), p. 510 (Holcomb testifying that his knowledge of and familiarity with the acquisitions of the policies were based on his review of the contracts involved in purchasing policies), pp. 526-31 (Holcomb testifying as to the transfer of monies from SG4C to SPM to pay the costs of acquiring and the premiums for maintaining policies and to pay funds to SGI), pp. 558-59 (Holcomb testifying that he recalls being concerned with making sure premiums for policies got paid), p. 654 (Holcomb confirming that there was not enough money to pay all of the policy premiums), and pp. 570-78 (Holcomb testifying with regard to State's Exhibit 47); and State's Exhibit 47 (includes spreadsheet summaries of policy expenses, including premiums paid for each policy, and the "SPM Transactions by Account," all of which were prepared by Holcomb).

As the ALJ noted on page 19 of the PFD, this information was material but was not provided. However, the ALJ determined that since Respondent Holcomb "did not have enough to do with the marketing documents for this finding to be against him," the finding should be set aside to the extent it is against Respondent Holcomb.

Setting aside the finding of fact as it relates to Respondent Holcomb is an improper application and misinterpretation of the applicable law. Section 4.F of the Act does not require that a non-disclosure be confined to that which is not disclosed in written sales materials. Rather, the Act requires a showing that the person had knowledge of a material fact and failed to disclose that material fact in connection with an offer or sale of a security. Cook v. State, 824 S.W.2d 634, 638 (Tex. App.-Dallas 1991, pet. ref'd) and Murchison v. State, 93 S.W.3d 239, 255 (Tex.App.-Houston [14th Dist.] 2002, pet. ref'd). There is legally and factually sufficient evidence in the record that Respondent Holcomb had knowledge of SPM's performance, which the ALJ concluded was a material fact, but that Respondent Holcomb failed to disclose such information to the undercover investigator, Rani Sabban, in connection with the offer to sell a security made during the recorded telephone conference.

The evidence offered at the SOAH hearing was sufficient to enable the ALJ to find that all of the Respondents, including Holcomb, each had knowledge of and intentionally failed to disclose the full operational and performance history of SPM, including its record in

identifying, acquiring, managing and generating a profit from life settlement policies. Therefore, Finding of Fact 18.A is modified to include such finding against Respondent Holcomb.

Reasons for Modifying the Rationale for Excluding Holcomb from Finding of Fact 18.B.

In her discussion of the Commissioner's finding that Respondents failed to disclose the full terms of the bonding and leveraging elements employed by SG4C, the ALJ determines that the Commissioner's finding should be set aside as to Respondent Holcomb because he "appeared to have no involvement with the representations about bonds." See page 19 of the PFD.

The lack of Holcomb's involvement with the actual representations relating to the bonds is not sufficient to set aside the finding of fact as it relates to him. The evidence shows that based on his familiarity with the accounting records for SPM, SGI, and SG4C, Holcomb knew there were no such bonds. Therefore, if there was sufficient evidence in the record to show that Holcomb knew about the representations being made with regard to the alleged bonds, his failure to disclose the nonexistence of the bonds to the undercover investigator, Rani Sabban, would have been an intentional failure to disclose a material fact in connection with the offer of a security. However, based on the lack of such evidence, Finding of Fact 18.B is properly set aside as it relates to Respondent Holcomb.

Reasons for Modifying Finding of Fact 18.C

Under Section 4.F of the Act, the elements of engaging in fraud in connection with the offer or sale of a security include:

- (1) the offer or sale of a security; and
- (2) an intentional failure to disclose a material fact, which requires a showing that:
 - (a) the person making the offer or sale had actual knowledge of a material fact; and
 - (b) the person did not disclose the material fact.

Element 1 - the offer or sale of a security

As noted by the ALJ in Finding of Fact 12, all of the Respondents are offering Class I membership interests in SG4C in Texas which, in Conclusion of Law 7, the ALJ concluded are securities.

Element 2 - an intentional failure to disclose a material fact

There is substantial evidence that Respondents SGI, SPM, SG4C, Wilcox, Jung and Holcomb each had actual knowledge of (1) the capitalization of Respondent SG4C, (2) the amount of investor funds SG4C has received and used to purchase a diversified portfolio of life settlement policies, (3) the number of life settlement policies held by SG4C, and (4) the terms and value of said life settlement policies. See Reporter's Record pp. 163-71 (Jung testifying with regard to the terms of the investment; the various functions of SGI, SPM and SG4C; his roles therein; and his, Holcomb's and Wilcox's knowledge relating to the number of and the face amount of the policies, the acquisition costs for the policies and that some policies had lapsed), p. 319 (Wilcox testifying that Holcomb knows the answers to all of what SPM does and what it pays on behalf of SG4C), p. 338 (Wilcox testifying as to the number and face amount of life settlement policies), pp. 363-64 (Wilcox testifying that Holcomb was responsible for the day-to-day accounting of SPM and that he would provide her with daily or weekly reports and let her know if a policy was about to lapse), p. 477 (Holcomb was SGI's treasurer and CPA as well as the CPA for SG4C and SPM), and pp. 570-78 (Holcomb testifying with regard to State's Exhibit 47); and State's Exhibit 47 (includes a spreadsheet summary of the use of cash from SG4C that was prepared by Holcomb along with supporting documentation).

Mr. Tandy's testimony shows that such information was material. See Reporter's Record p. 130; and Bridwell v. State, 804 S.W.2d 900 (Tex.Cr.App.1991).

And as the ALJ noted in her discussion of the allegations of fraud, the number of policies and their face value were not disclosed to investors until after the investment. See page 20 of the PFD. The ALJ further noted that post-investment disclosure does not substitute for pre-investment disclosure. *Id.*

Yet, the ALJ then improperly applied and misinterpreted the requirements for "intentional failure to disclose a material fact" by reasoning that "the immediate post-investment disclosure suggests a lack of intentional failure to disclose" the information and further determines "there is no evidence of any motive to hide the information." However, motive to hide the material information is not an element of fraud as defined in Section 4.F of the Act. Rather, the law requires a showing that the person had actual knowledge of a material fact and failed to disclose that material fact in connection with an offer or sale of a security. Cook v. State, 824 S.W.2d 634, 638 (Tex. App.-Dallas 1991, pet. ref'd) and Murchison v. State, 93 S.W.3d 239, 255 (Tex.App.-Houston [14th Dist.] 2002, pet. ref'd). Intentional is used to modify or describe the failure or non-disclosure itself, not the fraud resulting from the non-disclosure. Cook at 639. Furthermore, an immediate post-investment disclosure cannot somehow cure the pre-investment failure to disclose a known material fact. The purpose of the disclosure requirements of the Act is to require sellers of securities to be truthful and to provide investors with all material facts to allow them to make an informed decision before they entrust their funds to the seller. Bridwell v. State, 761 S.W.2d 401, 405 (Tex.App.1988), aff'd, 804 S.W.2d 900 (Tex.Cr.App.1991).

The evidence offered at the SOAH hearing was sufficient to enable the ALJ to find that all of the Respondents each had actual knowledge of and intentionally failed to disclose the capitalization of SG4C, the amount of investor funds it has received and used to purchase a diversified portfolio of life settlement policies, the number of life settlement policies held by SG4C, and the terms and value of the said life insurance policies. Therefore, Finding of Fact 18 is modified to include such finding against all of the Respondents.

CONCLUSIONS OF LAW

1. The Board has jurisdiction over the Respondents and the subject matter of this disciplinary action pursuant to the provisions of the Texas Securities Act (Act). Tex. Rev. Civ. Stat. Ann. art. 581-1 et seq.
2. The State Office of Administrative Hearings has jurisdiction over matters related to the hearing in this proceeding, including the authority to issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003.
3. On receiving a request for a hearing from a person who is the subject of an Emergency Cease and Desist Order, the Commissioner of the Board must serve notice of the time and place of the hearing. The hearing must be held not later than the 10th day after the date the Commissioner receives the request for a hearing unless the parties agree to a later hearing date. Act § 23-2.D.
4. Based on the above Findings of Fact and Conclusions of Law, the Respondents were given the required notice of a hearing.
5. At the hearing, the Commissioner has the burden of proof and must present evidence in support of the order. Act § 23-2.D.
6. After the hearing, the Commissioner must affirm, modify, or set aside in whole or part the emergency order. Act § 23-2.E.
7. The Class I membership interests described in the above Findings of Fact are "securities" as that term is defined by Act § 4.A.
8. A seller of a security "may be any link in the chain of the selling process. He is the one who performs "any act by which a sale is made." Brown v. Cole, 291 S.W.2d 704 (Tex.).
9. Respondents violated Section 7 of the Act by offering and selling securities in Texas at a time when the securities were not registered with the Securities Commissioner.
10. Respondents violated Section 12 of the Act by offering and selling securities in Texas without being registered as sellers of securities.
11. Respondents engaged in fraud in connection with the offer for sale and sale of securities.

12. Respondents made an offer containing statements that were materially misleading or otherwise likely to deceive the public.
13. Respondents' conduct, acts, and practices threatened immediate and irreparable public harm.
14. The foregoing violations constitute a sufficient basis for issuing an Emergency Cease and Desist Order pursuant to Section 23-2 of the Act.
15. Based on the above Findings of Fact and Conclusions of Law, pursuant to Section 23-2 of the Act, the ordering paragraphs of the Emergency Cease and Desist Order should be upheld.

ORDER

IT IS THEREFORE ORDERED that the Emergency Cease and Desist Order No. ENF-09-CDO-1671 issued against STAMFORD GROUP, INC.; STAMFORD PORTFOLIO MANAGEMENT, LLC; STAMFORD GROUP 2004C, LLC; DEBORAH A. WILCOX; DAVID R. JUNG; AND KEITH HOLCOMB; on April 2, 2009, shall be AFFIRMED; the findings of fact and conclusions of law shall be MODIFIED from those contained in the PFD, as modified by the Commissioner and set forth above; and

1. It is therefore ORDERED that STAMFORD GROUP, INC.; STAMFORD PORTFOLIO MANAGEMENT, LLC; STAMFORD GROUP 2004C, LLC; DEBORAH A. WILCOX; DAVID R. JUNG; AND KEITH HOLCOMB 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 STAMFORD GROUP, INC.; STAMFORD PORTFOLIO MANAGEMENT, LLC; STAMFORD GROUP 2004C, LLC; DEBORAH A. WILCOX; DAVID R. JUNG; AND KEITH HOLCOMB immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that STAMFORD GROUP, INC.; STAMFORD PORTFOLIO MANAGEMENT, LLC; STAMFORD GROUP 2004C, LLC; DEBORAH A. WILCOX; DAVID R. JUNG; AND KEITH HOLCOMB immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.

4. It is further ORDERED that STAMFORD GROUP, INC.; STAMFORD PORTFOLIO MANAGEMENT, LLC; STAMFORD GROUP 2004C, LLC; DEBORAH A. WILCOX; DAVID R. JUNG; AND KEITH HOLCOMB immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

SIGNED and ENTERED by the Securities Commissioner this ^{24th}~~21~~ day of February, 2011.


DENISE VOIGT CRAWFORD
Securities Commissioner

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been sent to the Respondents by certified mail, return receipt requested, at their last known addresses on Page 1 of this Order, and to their representatives named below in this matter by facsimile and certified mail, return receipt requested, to the Staff by hand-delivery, and by facsimile and regular mail to the State Office of Administrative Hearings, on this the 24th day of February, 2011.

Scott Holter, Staff Attorney
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Attorneys for Staff, State Securities Board

Via Hand Delivery

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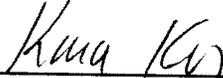
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The Honorable Rebecca S. Smith
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