

BENETTE L. ZIVLEY
SECURITIES COMMISSIONER

CARLA JAMES
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310



Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
www.ssb.state.tx.us

BETH ANN BLACKWOOD
CHAIR

DERRICK MITCHELL
MEMBER

E. WALLY KINNEY
MEMBER

DAVID A. APPLEBY
MEMBER

ALAN WALDROP
MEMBER

IN THE MATTER OF
ARTHUR R. HUDSPETH

§
§

Order No. ENF-11-CD0-1710

TO: Arthur R. Hudspeth
31206 Perlican Drive, Spring, TX 77386

AGREED CEASE AND DESIST ORDER

Be it remembered that Arthur R. Hudspeth ("Respondent") appeared before the Securities Commissioner 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 a 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. (West 2010) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (West 2008 & Supp. 2010) ("Administrative Procedure Act").
2. Respondent maintains a last known address at 31206 Perlican Drive, Spring, TX 77386.
3. Respondent offered an investment for sale in Texas via the Craigslist forum accessible at www.houston.craigslist.org. Respondent represented therein that an investment of any amount up to \$3,000,000.00 would entitle investors to a guaranteed 50% return over a term of 5 years.
4. The investment was not registered by qualification, notification or coordination and no permit was granted for its sale in Texas.

5. Respondent was not registered with the Securities Commissioner as a dealer or agent at any time material hereto.

CONCLUSIONS OF LAW

1. The investment is a "security" as that term is defined in Section 4.A of the Texas Securities Act.
2. Respondent violated Section 7 of the Texas Securities Act by offering a security for sale in Texas at a time when the security was not registered with the Securities Commissioner.
3. Respondent violated Section 12 of the Texas Securities Act by offering a security for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. 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 the offer for sale of securities in Texas until Respondent is registered with the Securities Commissioner as a dealer or agent or an available exemption from registration is utilized.

SIGNED AND ENTERED by the Securities Commissioner on November, 2011. 2nd ay



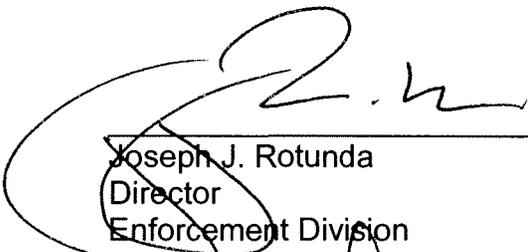
BENETTE L. ZIVLEY
Securities Commissioner

Respondents:

Arthur R. Hudspeth

By: 
Arthur R. Hudspeth

Approved as to Form:


Joseph J. Rotunda
Director
Enforcement Division


Moge Lovelle
Assistant Director
Enforcement Division

ACKNOWLEDGMENT

On the 11th day of OCTOBER, 2011, Arthur R. Hudspeth ("Respondent Hudspeth"), personally appeared before me, executed the foregoing Order and acknowledged that:

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

Gerard J. Donovan

Notary Public in and for
the State of TEXAS

My commission expires on: NOV. 25, 2011

[affix notary seal here]

