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Texas State Securities Board

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SOAH DOCKET NO. 312-06-0988 SSB DOCKET NO. 06-IC01

<u>IN THE MATTER</u>	§	BEFORE THE STATE OFFICE
<u>OF</u>	§	OF
<u>JAMES CHARLES LENNON</u>	§	ADMINISTRATIVE HEARINGS

TO: James Charles Lennon
3806 Village Oaks Drive
Kingwood, TX 77339

DEFAULT ORDER

Be it remembered that this is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of a DEFAULT ORDER pursuant to Sections 23 and 23-1 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2005) ("Texas Securities Act") and § 105.8(a)(2) of the Rules and Regulations of the Texas State Securities Board, 7 Tex. Admin. Code Chapter 101 et seq. ("Board Rules").

The staff of the Inspections and Compliance Division of the Texas State Securities Board (the "Staff") has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

- 1 On or about January 10, 2006, a Notice of Hearing, SOAH DOCKET NO. 312-06-0988, SSB DOCKET NO. 06-IC01 (the "Notice") was mailed by certified mail to James Charles Lennon ("Respondent"), at its last known address, as filed with the Securities Commissioner.
2. The Staff requested that Respondent CEASE AND DESIST acting as an investment adviser in violation of the Texas Securities Act and that Respondent be ASSESSED AN ADMINISTRATIVE FINE of Thirty Thousand Dollars (\$30,000.00), setting forth the following matters in the Notice:
 - (a) Respondent is a natural person whose last known residential address, as filed with the Securities Commissioner, is 3806 Village Oaks Drive, Kingwood, Texas 77339.

- (b) Respondent was registered with the Securities Commissioner as an investment adviser from on or about June 11, 1997 to on or about December 31, 1997; from on or about August 6, 1998 to on or about December 31, 1998; and from on or about January 22, 1999 to on or about December 31, 2001.
- (c) Since in or about January 2003, Respondent has, for compensation and in Texas, engaged in the business of advising others with respect to the value of securities and/or to the advisability of investing in, purchasing, or selling securities.
- (d) Pursuant to Section 12.B of the Texas Securities Act, a person may not render services as an investment adviser in Texas unless the person is registered under this Act, submits a notice filing as provided by Section 12-1 of the Texas Securities Act, or is otherwise exempt.
- (e) At all times after December 31, 2001, Respondent has not been registered as an investment adviser with the Securities Commissioner, submitted a notice filing pursuant to Section 12-1 of the Texas Securities Act, or been otherwise exempt.
- (f) On or about August 27, 1998, Respondent entered into Order No. CAF-1296 with the Securities Commissioner for acting as an investment adviser at a time when Respondent was not registered with the Securities Commissioner.

5. Pursuant to § 105.8(a)(2) of the Board Rules, the Securities Commissioner may make an informal disposition of a contested case by default by issuing an order in which the relief requested in the notice of hearing is granted and the matters set forth in the notice are deemed admitted as true upon proof that the notice was mailed to Respondent by certified mail, to the Respondent's last known address as shown by records of the Agency, and that the Respondent has failed to appear in person or through a legal representative on the day and at the time set for the hearing of the case, whether or not a written response has been filed.
6. On or about February 21, 2006 at 9:00 CST, a hearing (the "Hearing") was held at the State Office of Administrative Hearings ("SOAH") for the purpose of determining whether Respondent should be ordered to CEASE AND DESIST acting as an investment adviser in violation of the Texas Securities Act and ASSESSED AN ADMINISTRATIVE FINE of Thirty Thousand Dollars (\$30,000.00).
7. Respondent failed to appear in person or through a legal representative at the Hearing, at which time the Staff filed a motion to dismiss the contested case from the SOAH Docket pursuant to § 155.55(d)(2) of the Rules of Practice and Procedures of SOAH, 1 Tex. Admin. Code Chapter 155 and § 105.8(a)(2) of the Board Rules.

8. On or about February 21, 2006, Administrative Law Judge, Bill Zukauckas, issued Order No. 1, Granting Motion to Dismiss, SOAH Docket No. 312-06-0988, In the Matter of James Charles Lennon., after Respondent failed to appear in person or through a representative at the Hearing. After finding that the Notice was proper and timely served on Respondent, His Honor granted the Staff's motion to dismiss.

CONCLUSIONS OF LAW

1. Pursuant to § 105.8(a)(2) of the Board Rules, the following matters set forth in the Notice are deemed admitted as true:
 - (a) Respondent is a natural person whose last known residential address, as filed with the Securities Commissioner, is 3806 Village Oaks Drive, Kingwood, Texas 77339.
 - (b) Respondent was registered with the Securities Commissioner as an investment adviser from on or about June 11, 1997 to on or about December 31, 1997; from on or about August 6, 1998 to on or about December 31, 1998; and from on or about January 22, 1999 to on or about December 31, 2001.
 - (c) Since in or about January 2003, Respondent has, for compensation and in Texas, engaged in the business of advising others with respect to the value of securities and/or to the advisability of investing in, purchasing, or selling securities.
 - (d) Pursuant to Section 12.B of the Texas Securities Act, a person may not render services as an investment adviser in Texas unless the person is registered under this Act, submits a notice filing as provided by Section 12-1 of the Texas Securities Act, or is otherwise exempt.
 - (e) At all times after December 31, 2001, Respondent has not been registered as an investment adviser with the Securities Commissioner, submitted a notice filing pursuant to Section 12-1 of the Texas Securities Act, or been otherwise exempt.
 - (f) On or about August 27, 1998, Respondent entered into Order No. CAF-1296 with the Securities Commissioner for acting as an investment adviser at a time when Respondent was not registered with the Securities Commissioner.
2. Pursuant to § 105.8(a)(2) of the Board Rules and Sections 23 and 23-1 of the Texas Securities Act, the relief requested in the Notice is granted.

ORDER

1. It is therefore ORDERED that James Charles Lennon CEASE AND DESIST acting as an investment adviser in violation of the Texas Securities Act.
2. It is further ORDERED that James Charles Lennon is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Thirty Thousand Dollars (\$30,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Thirty Thousand Dollars (\$30,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 21st
day of February, 2006.


DENISE VOIGT CRAWFORD
Securities Commissioner