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## *Texas State Securities Board*

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AUSTIN, TEXAS 78711-3167

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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### **SOAH DOCKET NO. 312-12-0362 SSB DOCKET NO. REG11-01**

<u>IN THE MATTER OF THE APPLICATION</u>	§	BEFORE THE STATE OFFICE
<u>FOR AGENT REGISTRATION OF</u>	§	OF
<u>GREGORY FRANK ESTES</u>	§	ADMINISTRATIVE HEARINGS

### **NOTICE OF HEARING**

This is your OFFICIAL NOTICE that a hearing will be held at the State Office of Administrative Hearings, in the William P. Clements Building, 300 W. 15th Street, 4th Floor, Austin, Texas 78701, before an Administrative Law Judge beginning on **October 31, 2011 at 9:00 AM Central Time** for the purpose of determining whether the agent application for registration of Gregory Frank Estes ("Respondent") with the Securities Commissioner of Texas ("Securities Commissioner") should be DENIED.

This hearing will be held pursuant to The Securities Act, Tex. Rev. Civ. Stat. Ann. Art. 581-1 et seq. (West 2010) ("Texas Securities Act"); the Rules and Regulations of the Texas State Securities Board, 7 Tex. Admin. Code Chapter 101 et seq. (Supp. 2011) ("Board Rules"); the Administrative Procedure Act, Tex. Gov't Code Ann. § 2001.001 et seq. (West 2008 & Supp. 2010); and the Rules of Practice and Procedure of the State Office of Administrative Hearings, 1 Tex. Admin. Code Chapter 155 (Supp. 2011) ("SOAH Rules").

**IF YOU DO NOT FILE A WRITTEN ANSWER OR OTHER WRITTEN RESPONSIVE PLEADING TO THIS NOTICE OF HEARING ON OR BEFORE THE 20TH DAY AFTER THE DATE ON WHICH THIS NOTICE WAS MAILED TO YOU OR PERSONALLY SERVED ON YOU, THE FACTUAL ALLEGATIONS IN THIS NOTICE WILL BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND GRANT THE RELIEF SOUGHT IN THIS NOTICE.**

**THE RESPONSE MUST BE FILED IN AUSTIN, TEXAS, WITH THE STAFF OF THE STATE SECURITIES BOARD AND THE STATE OFFICE OF ADMINISTRATIVE HEARINGS.**

**IF YOU FAIL TO ATTEND THE HEARING, EVEN IF A WRITTEN ANSWER OR OTHER RESPONSIVE PLEADING HAS BEEN FILED, THE FACTUAL ALLEGATIONS IN THIS NOTICE WILL BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND GRANT THE RELIEF SOUGHT IN THIS NOTICE.**

**CONTACT INFORMATION**

**Sheri Palma, Esq.**

**Attorney**

**Registration Division**

**Texas State Securities Board**

**208 E. 10th Street, Fifth Floor**

**Austin, Texas 78701**

**Telephone: (512) 305-8300**

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**Docketing Office**

**State Office of Administrative Hearings**

**300 W. 15th Street, Suite 504**

**Austin, Texas 78701**

**Telephone: (512) 475-3445**

**Facsimile: (512) 475-4994**

Pursuant to §105.9 of the Board Rules, all documents filed by any party, other than business records and transcripts, and all documents issued by the Administrative Law Judge must be contemporaneously served upon the Securities Commissioner's representative as identified below:

**Kara Kennedy**

**General Counsel**

**Securities Commissioner's Representative**

**Texas State Securities Board**

**208 E. 10th Street, Fifth Floor**

**Austin, Texas 78701**

**Telephone: (512) 305-8300**

**Facsimile: (512) 305-8336**

Legal authority and jurisdiction for this matter exist under Sections 14 and 28 of the Texas Securities Act, Section 2003.021(b) of the Texas Government Code, and Section 155.51 of the SOAH Rules.

The staff of the Texas State Securities Board (the "Staff") will present evidence in support of its request that Respondent's application for registration with the Securities Commissioner be DENIED. The evidence presented by the Staff will prove the following:

1. Respondent is an individual whose last known business address, as filed with the Securities Commissioner, is 16 E. Beauregard, San Angelo, Texas 76903.
2. On or about January 27, 2010, Respondent filed for registration with the Securities Commissioner as an agent of Synergy Investment Group, LLC, ("Synergy"), which is currently pending.

### **I. Felony Conviction**

3. On or about September 17, 2002, Respondent was found guilty of Paragraph One and Paragraph Three of the indictment in Cause No. B-02-0669-S in the District Court of Tom Green County, Texas, 119th Judicial District.
4. The conviction of Paragraph One is for attempted sexual assault, a felony of the third degree, committed on November 3, 2001.
5. The conviction of Paragraph Three is for attempted sexual assault, a felony of the third degree, committed on November 3, 2001.
6. Respondent entered a plea of not guilty to Paragraph One and Paragraph Three of the indictment.
7. On or about September 17, 2002, Respondent was adjudged to confinement in the Institutional Division of the Texas Department of Criminal Justice for a period of six (6) years, probated for ten (10) years, and imposed a fine of \$1,000.
8. On or about September 17, 2002, Respondent was placed under an Order Imposing Conditions of Community Supervision, Cause No. B-01-0955-S, for a period of ten (10) years.

### **II. Registration**

9. From on or about September 16, 2004 to on or about March 16, 2006, Respondent was registered with the Securities Commissioner as an agent of Synergy.
10. On or about September 16, 2004, as a condition of the Securities Commissioner approving Respondent's application for registration with Synergy, Respondent entered into an agreement, or "Undertaking", with the Securities Commissioner.
11. Respondent, in part, undertook and agreed in Provision No. 7 of the Undertaking that:

Applicant is currently the subject of an order Imposing Conditions of Community Supervision ("Supervision") and a Notice Pursuant to Rule 19h-1 ("Notice") by a Hearing Panel of the Statutory

Disqualification Committee of NASD. Applicant and SIG further undertake and agree to provide notice to the Director of the Inspections and Compliance Division of the Texas State Securities Board, within ten (10) business days, of any notice of failure to comply with, and of any modification, discharge, termination or revocation, of either the Supervision or the Notice.

12. On or about February 18, 2005, Respondent filed a Defendant's Request to Amend Conditions of Community Supervision in the District Court of Tom Green County, Texas, 119th Judicial District.
13. On or about April 14, 2005, an Order Amending Conditions of Community Supervision was signed by the District Court of Tom Green County, Texas, 119th Judicial District. Respondent failed to provide notice to the Director of the Inspections & Compliance Division ("Director") within ten (10) business days of such modification. Respondent's failure to provide notice to the Director of the modification constitutes a violation of the Undertaking.
14. On or about November 9, 2005, a Motion to Revoke Probation and Order for Arrest was issued by the District Court of Tom Green County, Texas, 119th Judicial District.
15. On or about December 5, 2005, an Order Amending Conditions of Community Supervision In Lieu of Revocation was signed by the District Court of Tom Green, County, Texas, 119th Judicial District. Respondent failed to provide notice to the Director within ten (10) business days of such modification. Respondent's failure to provide notice to the Director of the modification constitutes a violation of the Undertaking.

### **III. Legal Authority**

16. Section 14 of the Texas Securities Act states in part:
  - (A) The Commissioner may deny, ... a registration issued under this Act, ... if the person:
    - (1) has been convicted of any felony;
    - ...
    - (11) ... has violated any provision of any undertaking or agreement with the Commissioner.
17. Pursuant to Section 14.A(1) of the Texas Securities Act, the felony conviction described above is a basis for denying the Respondent's application with the Securities Commissioner.

18. Pursuant to Section 14.A(11) of the Texas Securities Act, the violations of the Undertaking with the Commissioner are bases for denying the Respondent's application with the Securities Commissioner.

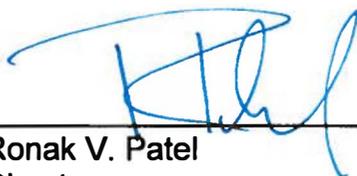
**IV. Relief Requested**

Based on the foregoing allegations, the Staff requests that the Securities Commissioner issue an Order DENYING the Respondent's application for registration with the Securities Commissioner.

Pursuant to §105.14 of the Board Rules, the Staff respectfully requests that the State Office of Administrative Hearings order that all costs charged to the Texas State Securities Board by any court reporting service involved in this matter be assessed against Respondent.

Respondent is invited to appear personally, with, without, or through counsel, and to present any and all evidence relating to the matters set forth in this Notice.

Signed this 14<sup>th</sup> day of September, 2011.

  
\_\_\_\_\_  
Ronak V. Patel  
Director  
Inspections & Compliance Division

**CERTIFICATE OF SERVICE**

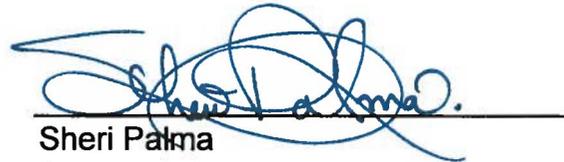
I hereby certify that true and correct copies of the foregoing have been sent via certified mail to the Respondent at the address listed below, and to the Securities Commissioner's Representative by hand-delivery, done on this, the 14th day of September, 2011.

Gregory Frank Estes  
Synergy Investment Group, LLC  
16 E. Beauregard  
San Angelo, TX 76903

**VIA CERTIFIED MAIL #9171082133393861372779**

Kara Kennedy  
General Counsel  
Securities Commissioner's Representative  
Texas State Securities Board  
208 E. 10th Street, 5th Floor  
Austin, Texas 78701  
Telephone: (512) 305-8300  
Facsimile: (512) 305-8336

**VIA HAND DELIVERY**



Sheri Palma  
Attorney  
Registration Division