

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



KENNETH W. ANDERSON, JR.
MEMBER

DON A. RASCHKE
DEPUTY SECURITIES COMMISSIONER

JACK D. LADD
MEMBER

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

Texas State Securities Board

BRYAN K. BROWN
MEMBER

BETH ANN BLACKWOOD
MEMBER

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

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

WILLIAM R. SMITH
MEMBER

IN THE MATTER OF
JAMES OTIS CARTER

§
§

Order No. IC04-FIN-19

TO: James Otis Carter (CRD No. 3019929)
2129 Lucy Ln
Missouri City, TX 77489

DISCIPLINARY ORDER

Be it remembered that James Otis Carter ("Respondent"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and Undertaking, and the Findings of Fact and the 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. 2004-2005) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2004-2005) ("Administrative Procedure Act").
2. On or about July 9, 1998, Respondent was charged in Brazos County Texas with one count of deadly conduct, a felony ("Felony").
3. On or about September 24, 1998, Respondent pled guilty to the Felony.
4. On or about January 13, 2000, Respondent filed a Uniform Application for Securities Industry Registration or Transfer ("Form U-4"), with the Securities Commissioner.
5. Item 23.A(1) of Respondent's January 13, 2000 Form U-4 required disclosure of (a) whether Respondent had ever pled guilty in a domestic court to a felony; and (b) whether Respondent had ever been charged with a felony.
6. Respondent answered "no" to Items 23.A(1)(a)&(b) on Respondent's January 13, 2000 Form U-4, concerning the Felony charge and guilty plea.

7. On or about February 14, 2003, Respondent filed a Form U-4 with the Securities Commissioner.
8. Item 14.A(1) of Respondent's February 14, 2003 Form U-4 required disclosure of (a) whether Respondent had ever pled guilty in a domestic court to a felony; and (b) whether Respondent had ever been charged with a felony.
9. Respondent answered "no" to Items 14.A(1)(a)&(b) on Respondent's February 14, 2003 Form U-4, concerning the Felony charge and guilty plea.
10. On or about January 21, 2004, Respondent filed another Form U-4 with the Securities Commissioner.
11. Item 14.A(1) of Respondent's January 21, 2004 Form U-4 required disclosure of (a) whether Respondent had ever pled guilty in a domestic court to a felony; and (b) whether Respondent had ever been charged with a felony.
12. Respondent answered "yes" to Items 14.A(1)(a)&(b) on Respondent's January 21, 2004 Form U-4, concerning the Felony charge and guilty plea.
13. Pursuant to Sections 101.2(c) and 133.33(a)(3) of the Rules and Regulations of the State Securities Board ("Board Rules"), certain forms required to be filed with the Securities Commissioner, including the Form U-4, have been adopted as Board Rules and have the same force and effect.
14. Pursuant to Section 115.2(e)(2) of the Board Rules, uniform forms submitted through the Central Registration Depository System of the National Association of Securities Dealers, Inc., including the Form U-4, that designate the State of Texas as a jurisdiction in which the filing is to be made, are deemed to be filed with the Securities Commissioner and constitute official records of the Texas State Securities Board.
15. The signature section of the January 13, 2000 Form U-4 stated: "I swear or affirm that I have read and understand the items and instructions on this form and that my answers (including attachments) are true and complete to the best of my knowledge. I understand that I am subject to administrative, civil or criminal penalties if I give false or misleading answers."
16. Respondent signed the January 13, 2000 Form U-4, attesting that he had read and understood the items and instructions, and that his answers were true and complete to the best of his knowledge.
17. The information required to be reported on the Form U-4 is deemed necessary by the Securities Commissioner.

UNDERTAKING

1. Respondent undertakes and agrees that all future information reported to the Securities Commissioner concerning Respondent shall be true and complete to the best of the Respondent's knowledge, and any future change in information concerning Respondent which was previously disclosed to the Securities Commissioner on any application form or filing shall be reported as required by Section 115.9(a)(6) of the Board Rules.
2. Respondent files this Undertaking with the Securities Commissioner with the understanding that a failure to comply with the Undertaking constitutes a basis for disciplinary proceedings against Respondent pursuant to Section 14 of the Texas Securities Act.

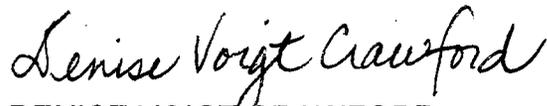
CONCLUSIONS OF LAW

1. Respondent's failure to take appropriate steps to verify the accuracy and completeness of information contained in the Forms U-4, constitute violations of a Board Rule.
2. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order assessing an administrative fine against Respondent.

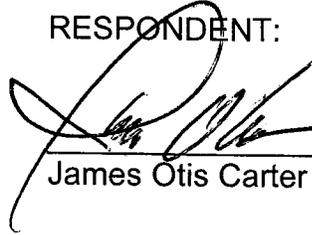
ORDER

1. It is therefore ORDERED that James Otis Carter is ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Thousand Five Hundred Dollars (\$2,500.00). Payment shall be made by delivery of cashier's check to the Securities Commissioner in the total amount of Two Thousand Five Hundred Dollars (\$2,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
2. It is further ORDERED that James Otis Carter COMPLY with the terms of the Undertaking referenced herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 24th day of November 2004.


DENISE VOIGT CRAWFORD
Securities Commissioner

RESPONDENT:



James Otis Carter

Approved as to Form:



Benette Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 19th day of November, 2004, James Otis Carter ("Respondent") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

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

Marilyn J. Davis
Notary Public in and for
the State of TEXAS

[affix notary seal here]



My commission expires on: 10/04/2007