

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

DON A. RASCHKE
DEPUTY SECURITIES COMMISSIONER



Texas State Securities Board

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

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

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

JACK D. LADD
CHAIRMAN

KENNETH W. ANDERSON, JR.
MEMBER

BRYAN K. BROWN
MEMBER

BETH ANN BLACKWOOD
MEMBER

WILLIAM R. SMITH
MEMBER

IN THE MATTER OF THE APPLICATIONS FOR
THE AGENT AND INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS OF
RUSSELL KENT CHILDS

§
§ Order No. IC05-SUS-01
§
§

TO: Russell Kent Childs (CRD No. 1192883)
Cambridge Legacy Securities, L.L.C.
4100 Spring Valley Road, Ste 500
Dallas, Texas 75244

DISCIPLINARY ORDER

Be it remembered that Russell Kent Childs ("Respondent"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order"), the Undertaking incorporated by reference herein, 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 August 1, 2003, a disciplinary order, Order No. CAF-1523 ("the August 1, 2003 Order"), was entered against Respondent by the Securities Commissioner.
3. On or about September 29, 2004, Respondent filed an amended Uniform Application for Securities Industry Registration or Transfer ("Form U-4") application with the Securities Commissioner for registration of Respondent as an investment adviser representative of Cambridge Legacy Advisors, Inc, which is currently pending.
4. On or about October 15, 2004, Respondent filed an amended Form U-4 application with the Securities Commissioner for registration of Respondent as an agent of Cambridge Legacy Securities, L.L.C., which is currently pending.

5. From on or about December 12, 2002 to on or about May 30, 2003, Respondent, individually or by other registered representatives who were under Respondent's direction and control through Wealth Management Advisors, LLC ("WMA"), made multiple sales in Texas of limited partnership units ("the Fund I Units") of ARGOGIA Fund I, L.P. ("Fund I"). During this period, Respondent and the other registered representatives were registered by the Securities Commissioner as agents of IMS Securities, Inc.
6. From on or about August 5, 2003 to on or about September 13, 2004, Respondent, individually or by other registered representatives who were under Respondent's direction and control through WMA, made multiple sales in Texas of limited partnership units ("the Fund II Units") of ARGOGIA Fund II, L.P. ("Fund II"). During this period, Respondent and the other registered representatives were registered by the Securities Commissioner as agents of IMS Securities, Inc.
7. Pursuant to Section 7.A of the Texas Securities Act, no agent may sell or offer for sale any securities, unless such securities have been registered by notification or coordination, or the sale of such securities are exempt under Sections 5 or 6 of the Texas Securities Act.
8. At all times relevant to this Order, the Fund I Units and the Fund II Units were neither registered by notification or coordination, and the sales of such securities were not exempt under Sections 5 or 6 of the Texas Securities Act.
9. Pursuant to §§101.2(c) and 133.33(a) of the Rules and Regulations of the Texas 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.
10. Pursuant to §§115.2(e)(2) and 116.2(e)(2) of the Board Rules, uniform forms including the Form U-4 which are submitted through the Central Registration Depository System or the Investment Advisor Registration Depository, both maintained by the NASD, and which designate the State of Texas as a jurisdiction where the filing is made, are deemed to be filed with the Securities Commissioner and constitute official records of the Texas State Securities Board.
11. The information required to be reported on the Form U-4 is deemed necessary by the Securities Commissioner.
12. Item No. 13 on the Form U-4 required Respondent to answer: "Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise?"
13. On or about July 17, 2003 and immediately prior to the issuance of the August 1, 2003 Order, Respondent amended Item No. 13 of his Form U-4 to disclose that he was the owner of Wealth Management Advisors, an investment related business.

14. On or about October 5, 2004, Respondent amended Item No. 13 of his Form U-4 to add disclosure of his prior engagement in the businesses of ARGOGIA Fund Management, LLC, Fund I, and Fund II.
15. On or about October 14, 2004, Respondent amended Item No. 13 of his Form U-4 to add disclosure of his prior engagement in the businesses of Wealth Management Advisors of Texas, Ltd., Advent Resource Group, Ltd. Co., Wealth Management Consulting Company, Inc., and Wealth Management Properties, L.P.

CONCLUSIONS OF LAW

1. The Fund I Units and the Fund II Units were securities as the term is defined under Section 4.A of the Texas Securities Act.
2. Respondent's sales of the Fund I Units and the Fund II Units at times when such securities were not registered by notification or coordination, and at times when the sale of such securities were not exempt under Sections 5 or 6 of the Texas Securities Act, constitute violations of Section 7.A of the Texas Securities Act.
3. Respondent's initial failures to disclose, in Item No. 13 of Respondent's Form U-4 applications, the businesses in which Respondent was engaged, constitute violations of the Board Rules and material misrepresentations to the Securities Commissioner in connection with information deemed necessary to determine Respondent's business repute and qualifications.
4. Pursuant to Sections 14.A(6) and 14.A(7) of the Texas Securities Act, the foregoing violations and misrepresentations constitute bases for the issuance of an order reprimanding, suspending, and placing on probation, a registered agent and a registered investment adviser representative.
5. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Texas Securities Act and the Board Rules constitute bases for the issuance of an order assessing an administrative fine against an agent and an investment adviser representative.

ORDER

1. It is therefore ORDERED that the registrations of Russell Kent Childs as an agent of Cambridge Securities L.L.C. and as an investment adviser representative of Cambridge Legacy Advisors, Inc. are hereby GRANTED.
2. It is further ORDERED that Russell Kent Childs is hereby REPRIMANDED.
3. It is further ORDERED that the agent and investment adviser representative registrations of Russell Kent Childs are hereby SUSPENDED for a period of fifteen (15) calendar days from the date this Order is signed by the Securities Commissioner. In the event that Russell Kent Childs' registrations are terminated

before the end of this period, the suspension period will be tolled from the date that Russell Kent Childs' registrations are terminated to the date when a registration of Russell Kent Childs is again effective.

4. It is further ORDERED that Russell Kent Childs is placed on PROBATION for a period of two (2) years as an agent and as an investment adviser representative under the terms of the Undertaking incorporated by reference herein.
5. It is further ORDERED that Russell Kent Childs is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Fifty Thousand Dollars (\$50,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Fifty Thousand Dollars (\$50,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
6. It is further ORDERED that Russell Kent Childs COMPLY with the terms of the Undertaking, incorporated by reference herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 3rd day
of January, 2005.

Denise Voigt Crawford
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:



By: Russell Kent Childs

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division



John W. Mahoney
Attorney for Russell Kent Childs

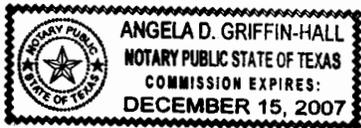
ACKNOWLEDGMENT

On the 29th day of December, 2004, Russell Kent Childs ("Respondent") personally appeared before me, executed the foregoing Order, and acknowledged that:

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


Notary Public in and for
the State of Texas

[affix notary seal here]



My commission expires on:
12-15-07