

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

DON A. RASCHKE
DEPUTY SECURITIES COMMISSIONER

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

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Facsimile: (512) 305-8310



Texas State Securities Board

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

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CHAIRMAN

KENNETH W. ANDERSON, JR.
MEMBER

BRYAN K. BROWN
MEMBER

BETH ANN BLACKWOOD
MEMBER

WILLIAM R. SMITH
MEMBER

IN THE MATTER OF
TARPON CAPITAL MANAGEMENT, L.P.
AND THE APPLICATION FOR
INVESTMENT ADVISER
REPRESENTATIVE REGISTRATION
OF BRADLEY HUGH LAMENSDORF
AND AGENT REGISTRATION OF
KING BURNEY HUGHES

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Order No. IC05-CAF-02

TO: Bradley Hugh Lamensdorf, Member
Tarpon Advisors, LLC, General Partner
Tarpon Capital Management, L.P. (IARD #118552)
4514 Travis Street, Suite 326
Dallas, TX 75206

Bradley Hugh Lamensdorf, (CRD # 1979074)
Tarpon Capital Management, L.P.
4514 Travis Street, Suite 326
Dallas, TX 75206

King Burney Hughes (CRD # 2260525)
Burch Capital Management, Inc.
8111 Preston Road, Suite 805
Dallas, TX 75225

DISCIPLINARY ORDER AND UNDERTAKING

Be it remembered that Tarpon Capital Management, L.P. ("Respondent Tarpon"), by and through its General Partner, Tarpon Advisors, LLC, by and through a Member, Bradley Hugh Lamensdorf, Bradley Hugh Lamensdorf ("Respondent Lamensdorf"), individually, and King Burney Hughes, ("Respondent Hughes"), individually, (collectively "Respondents") appeared before the Securities Commissioner of the State 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. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents 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 February 10, 2004, Respondent Lamensdorf submitted an application for registration with the Securities Commissioner as an investment adviser representative of BHL Capital Management, L.P., which is currently pending.
3. On or about June 23, 1994, Respondent Hughes registered with the Securities Commissioner as an agent of Burch Capital Management, Inc., which is currently effective.
4. From in or about January 1999 to in or about February 2004, Respondent Tarpon, for compensation, engaged in the business of advising others in Texas with respect to the value of securities and the advisability of investing in, purchasing, or selling securities.
5. From in or about January 1999 to in or about February 2004, Respondent Lamensdorf, for compensation, and on behalf of Respondent Tarpon, rendered investment advice in Texas to the clients of Respondent Tarpon.
6. Respondent Hughes, for compensation, and of behalf of Respondent Tarpon, rendered investment advice in Texas to the clients of Respondent Tarpon at a time when Respondent Hughes was not registered as an investment adviser representative with the Securities Commissioner.
7. Section 115.1(a)(3) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), as in effect from December 2, 1997 through August 11, 2001, required investment advisers and their agents involved in the rendering of investment advice in Texas to be registered with the Securities Commissioner.
8. Section 12.B of the Texas Securities Act, prohibits rendering services as an investment adviser or investment adviser representative in Texas unless the person is registered under the Texas Securities Act, submits a notice filing as provided by Section 12-1 of the Texas Securities Act, or is otherwise exempt.
9. At all times relevant to this order, Respondent Tarpon has not been registered as an investment adviser with the Securities Commissioner, submitted a notice filing, or been otherwise exempt.

10. At all times relevant to this order, Respondent Lamensdorf has not been registered with the Securities Commissioner as an investment adviser representative of Respondent Tarpon, submitted a notice filing, or been otherwise exempt.
11. At all times relevant to this order, Respondent Hughes has not been registered with the Securities Commissioner as an investment adviser representative of Respondent Tarpon, submitted a notice filing, or been otherwise exempt.

UNDERTAKING

1. Respondent Tarpon represents to the Securities Commissioner that Respondent Tarpon has not rendered investment advisory services in Texas, for compensation, since July 1, 2004.
2. Respondent Lamensdorf and Respondent Hughes each represent to the Securities Commissioner that they have not rendered investment advisory services in Texas on behalf of Respondent Tarpon, for compensation, since July 1, 2004.

CONCLUSIONS OF LAW

1. Respondent Tarpon advised others, for compensation, with respect to the value of securities and the advisability of investing in, purchasing, or selling securities, and therefore constituted an "investment adviser" as the term "investment adviser" is defined by § 116.1(a)(6) of the Board Rules [formerly § 107.2(19)].
2. Respondent Tarpon violated § 115.1(a)(3) of the Board Rules and Section 12.B of the Texas Securities Act by rendering services as an investment adviser in Texas at a time when Respondent Tarpon was not registered as an investment adviser with the Securities Commissioner.
3. Respondent Lamensdorf and Respondent Hughes, for compensation, provided investment advice to the clients of Respondent Tarpon, and therefore each constituted an "investment adviser representative" as the term "investment adviser representative" is defined by § 116.1(a)(7) of the Board Rules.
4. Respondent Lamensdorf violated § 115.1(a)(3) of the Board Rules and Section 12.B of the Texas Securities Act by rendering of services as an investment adviser representative in Texas for Respondent Tarpon at a time when Respondent Lamensdorf was not registered as an investment adviser representative with the Securities Commissioner.
5. Respondent Hughes violated § 115.1(a)(3) of the Board Rules and Section 12.B of the Texas Securities Act by rendering of services as an investment adviser representative in Texas for Respondent Tarpon at a time when Respondent Hughes was not registered as an investment adviser representative with the Securities Commissioner.

6. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding a registered investment adviser representative and a registered agent.
7. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for the assessment of an administrative fine against an investment adviser.

ORDER

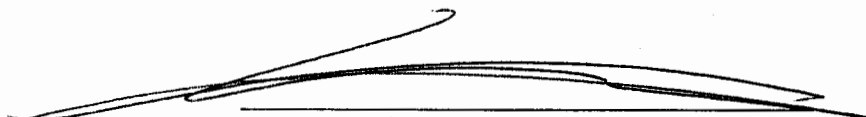
1. It is therefore ORDERED that the registration of Bradley Hugh Lamensdorf as an investment adviser representative with the Securities Commissioner is hereby GRANTED.
2. It is further ORDERED that Bradley Hugh Lamensdorf and King Burney Hughes are hereby REPRIMANDED.
3. It is further ORDERED that Tarpon Capital Management, L.P. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Eighty Thousand Dollars (\$80,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Eighty Thousand Dollars (\$80,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 25th day
of January, 2005.

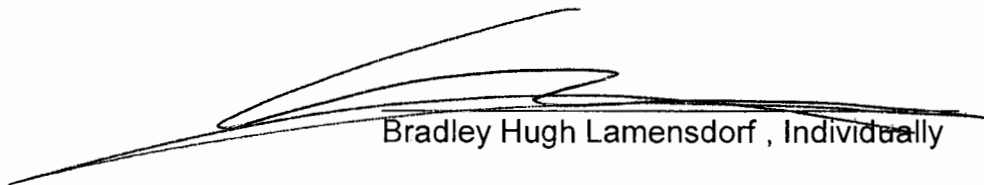

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondents:

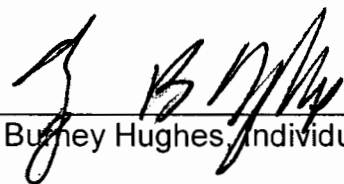
Tarpon Capital Management, L.P.



By and through its General Partner,
Tarpon Advisors, LLC, Bradley Hugh
Lamensdorf, Member

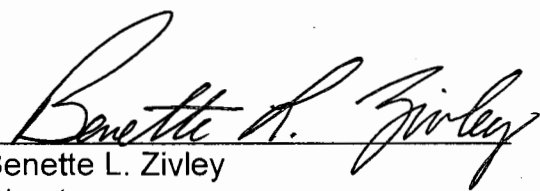


Bradley Hugh Lamensdorf, Individually



King Burney Hughes, Individually

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division

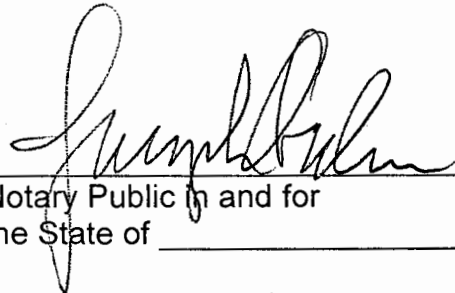


Brian Norman
Attorney for Respondents

ACKNOWLEDGMENT

On the 8 day of JANUARY, 2005, Tarpon Capital Management, L.P. ("Respondent Tarpon"), by and through its General Partner, Tarpon Advisors, LLC, by and through its Member, Bradley Hugh Lamensdorf, personally appeared before me, executed the foregoing Order, and acknowledges that:

1. Bradley Hugh Lamensdorf is duly authorized to enter into the foregoing Order on behalf of Respondent Tarpon;
2. Bradley Hugh Lamensdorf has read the foregoing Order;
3. Respondent Tarpon has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent Tarpon knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent Tarpon, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



Notary Public in and for
the State of _____

My commission expires on: _____

[affix notary seal here]

JOSEPH BALES - NOTARY PUBLIC

**COUNTY OF
FAIRFIELD**

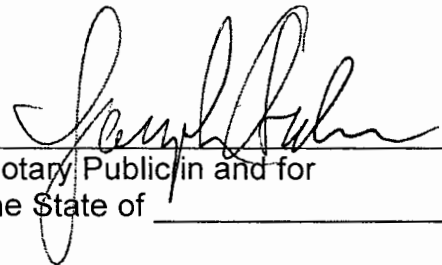
**STATE OF
CONNECTICUT**

MY COMMISSION EXPIRES MAY 31, 2009

ACKNOWLEDGMENT

On the 8 day of JANUARY, 2005, Bradley Hugh Lamensdorf ("Respondent Lamensdorf") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent Lamensdorf has read the foregoing Order;
2. Respondent Lamensdorf has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Lamensdorf 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 Lamensdorf, 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 _____

My commission expires on: _____

[affix notary seal here]

JOSEPH BALES - NOTARY PUBLIC

**COUNTY OF
FAIRFIELD**

**STATE OF
CONNECTICUT**

MY COMMISSION EXPIRES MAY 31, 2009

ACKNOWLEDGMENT

On the 8 day of January, 2005, King Burney Hughes ("Respondent Hughes") personally appeared before me, executed the foregoing Order, and acknowledged that:

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

Mark E. Randall

Notary Public in and for
the State of Texas

[affix notary seal here]

My commission expires on: 7-15-07

