

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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MEMBER

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MEMBER

IN THE MATTER OF THE  
DEALER REGISTRATION OF  
ZAHORIK COMPANY, INC.

§  
§  
§

Order No. IC05-CAF-08

TO: Randy Dale Russell, President  
Zahorik Company, Inc. (CRD No. 8580)  
150 E. Colorado Blvd., Ste. 100  
Pasadena, CA 91105

### DISCIPLINARY ORDER

Be it remembered that Zahorik Company, Inc. ("Respondent") by and through Randy Dale Russell, its President, 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 March 31, 1983, Respondent registered with the Securities Commissioner as a securities dealer, which is currently effective.
3. Pursuant to §115.4(a) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), a certificate of registration is issued to each registered securities dealer reflecting the dealer's registered officer or partner ("Designated Officer").
4. Pursuant to §115.4(b)(1) of the Board Rules, any changes in the information reflected on the certificate of registration must be submitted to the Securities Commissioner within thirty (30) days of such change by the registered securities dealer, in order that amendments may be made to the certificate of registration. The fee for such submission to amend the certificate of registration is Twenty-Five Dollars (\$25.00).

5. On or about August 3, 2004, the registration with the Securities Commissioner of Respondent's Designated Officer was terminated.
6. From on or about August 3, 2004 to the present, Respondent has not submitted to the Securities Commissioner the information concerning this change in its Designated Officer as reflected on its certificate of registration, with the fee.
7. On or about September 24, 2004, the staff of the Texas State Securities Board ("Staff") issued a letter to Respondent requesting submission to the Securities Commissioner of information concerning the change in its Designated Officer as reflected on the then current certificate of registration.

#### UNDERTAKING

1. Respondent undertakes and agrees to submit in writing to the Securities Commissioner, any change in the information which is currently reflected on its certificate of registration, accompanied by the fee for amendment of its certificate of registration, within thirty (30) days of the date of this Order.

#### CONCLUSIONS OF LAW

1. Respondent's failure to submit such change in the Designated Officer information reflected on its certificate of registration to the Securities Commissioner within thirty (30) days, with such fee for amending the certificate of registration, constitutes a violation of §115.4(b)(1) of the Board Rules.
2. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violation of the Board Rules constitutes bases for the issuance of an order reprimanding a registered securities dealer.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violation of the Board Rules constitutes bases for the issuance of an order assessing an administrative fine against a securities dealer.

#### ORDER

1. It is therefore ORDERED that Zahorik Company, Inc. is hereby REPRIMANDED.
2. It is further ORDERED that Zahorik Company, Inc. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Hundred and Fifty Dollars (\$250.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Two Hundred and Fifty Dollars (\$250.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

3. It is further ORDERED that Zahorik Company, Inc. COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 16<sup>TH</sup> day of March, 2005.

DENISE VOIGT CRAWFORD  
Securities Commissioner

  
Deputy Commissioner

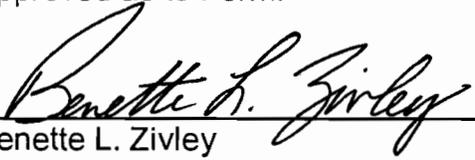
Respondent:

Zahorik Company, Inc.

A handwritten signature in black ink that reads "Randy Dale Russell". The signature is written in a cursive style and is positioned above a horizontal line.

By: Randy Dale Russell  
President

Approved as to Form:

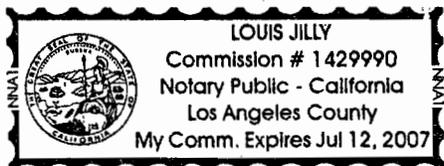
A handwritten signature in black ink that reads "Benette L. Zivley". The signature is written in a cursive style and is positioned above a horizontal line.

Benette L. Zivley  
Director  
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 14 day of MARCH, 2005, Zahorik Company, Inc. ("Respondent") a securities dealer, by and through Randy Dale Russell, its President, appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

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



[affix notary seal here]

  
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Notary Public in and for  
The State of California  
County of Los Angeles  
My commission expires on: July 12, 2007