

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



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## Texas State Securities Board

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208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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IN THE MATTER OF THE §  
INVESTMENT ADVISER REGISTRATION OF §  
MICHAEL DAVID SCOTT D/B/A §  
M.D. SCOTT & COMPANY §

Order No. IC05-CAF-18

TO: Michael David Scott d/b/a M.D. Scott & Company (IARD No. 114495)  
8101 Memorial, #3221  
Plano, TX 75024

### DISCIPLINARY ORDER

Be it remembered that Michael David Scott d/b/a M.D. Scott & Company ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order"), 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 October 1, 1997, Respondent registered with the Securities Commissioner as an investment adviser, which is currently effective.
3. On or about August 20, 1997 and pursuant to § 115.2(a)(1) [currently § 116.2(a)(1)] of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), Respondent filed an Application for Registration as an Individual Securities Dealer or Investment Adviser (the "Application Form") with the Securities Commissioner in connection with his application to become registered with the Securities Commissioner as an investment adviser.

4. Respondent listed his business address on the Application Form as 7420 La Cosa Drive in Dallas, Texas.
5. On or about March 10, 2004, the Staff of the Securities Commissioner (the "Staff") attempted to conduct an inspection of Respondent's business activities at 7420 La Cosa Drive in Dallas, Texas. However, Respondent was no longer located at that address, and the Staff was therefore unable to perform its inspection.
6. Respondent represents that in or about March 2004, Respondent ceased conducting business at 7420 La Cosa Drive in Dallas, Texas and moved to his current business address located at 8101 Memorial #3221 in Plano, Texas.
7. Section 116.9(a)(6) of the Board Rules required Respondent to report any change in information previously disclosed to the Securities Commissioner on any application form or filing within thirty (30) days of such change.
8. On or about January 26, 2005, Respondent reported the change in his business address to the Securities Commissioner.

#### CONCLUSIONS OF LAW

1. Respondent's failure to report the change in his business address as listed on the Application Form within thirty (30) days of the change constitutes a violation of §116.9(a)(6) of the Board Rules.
2. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violation constitutes a basis for the issuance of an order reprimanding a registered investment adviser.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violation constitutes a basis for issuance of an order assessing an administrative fine against an investment adviser.

#### ORDER

1. It is therefore ORDERED that Michael David Scott d/b/a M.D. Scott & Company is hereby REPRIMANDED.
2. It is further ORDERED that Michael David Scott d/b/a M.D. Scott & Company is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Thousand Five Hundred Dollars (\$2,500.00). Payment shall be made by delivery of a cashier's

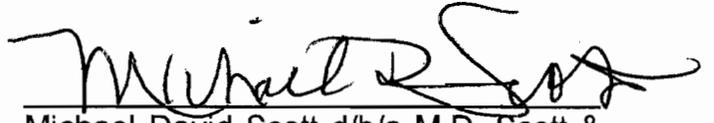
check to the Securities Commissioner in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 14<sup>th</sup> day  
of June, 2005.



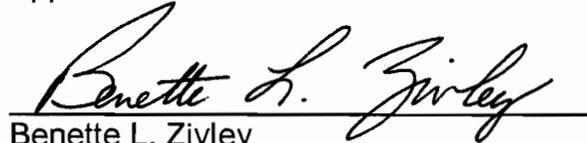
DENISE VOIGT CRAWFORD  
Securities Commissioner

Respondent:

A handwritten signature in black ink, appearing to read "Michael David Scott", written over a horizontal line.

Michael David Scott d/b/a M.D. Scott &  
Company

Approved as to Form:

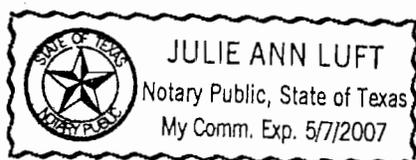
A handwritten signature in black ink, appearing to read "Benette L. Zivley", written over a horizontal line.

Benette L. Zivley  
Director  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the 10 day of June, 2005, Michael David Scott d/b/a M.D. Scott & Company ("Respondent") 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 herein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

*Julie A. Luft*  
Notary Public in and for  
The State of Texas

My commission expires on: 5-7-07