

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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KENNETH W. ANDERSON, JR.
MEMBER

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MEMBER

BETH ANN BLACKWOOD
MEMBER

WILLIAM R. SMITH
MEMBER

IN THE MATTER OF
THE DEALER REGISTRATION OF
PROSPERA FINANCIAL SERVICES,
INC.

§
§
§
§

Order No. IC06-CAF-02

TO: David Stringer, President
Prospera Financial Services, Inc. (CRD No. 10740)
5429 LBJ Freeway, Suite 400
Dallas, TX 75240

DISCIPLINARY ORDER

Be it remembered that Prospera Financial Services, Inc. ("Respondent"), by and through David Stringer, 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 Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and a 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. 2005)("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2005)("Administrative Procedure Act").
2. On or about July 22, 1983, Respondent registered with the Securities Commissioner as a securities dealer, which is currently effective.
3. Respondent is conducting sales-related activity at locations ("unregistered offices") not registered as branch offices with the Securities Commissioner.
4. Respondent is maintaining records related to Respondent's securities activity at the unregistered offices.
5. The term "branch office" is defined by § 115.1(a)(2) of the Rules and Regulations of the Texas State Securities Board ("Board Rules") as "(e)ach office in Texas in which either records are maintained or control over and review of the activities of registered persons exists."

6. Pursuant to § 115.1(b)(1) of the Board Rules, a dealer is required to register, with the Securities Commissioner, each branch office located in Texas.
7. Pursuant to § 115.2(c) of the Board Rules, a dealer may not conduct sales related activity in any branch office location until the dealer receives notification from the Securities Commissioner that such location has been approved as a branch office.

UNDERTAKING

1. Respondent undertakes and agrees to register each branch office location in Texas with the Securities Commissioner within thirty (30) days of the date that the Securities Commissioner signs this Order.
2. Respondent further undertakes and agrees to register and attain approval of each new branch office location in Texas from the Securities Commissioner prior to engaging in any securities sales-related activity at that location.

CONCLUSIONS OF LAW

1. Each location in Texas where Respondent's securities related records are maintained constitutes a "branch office", as that term is defined by § 115.1(aj)(2) of the Board Rules.
2. Respondent's failure to register each branch office is a violation of § 115.1(b)(1) of the Board Rules.
3. Respondent's sales-related activity at unregistered branch offices constitutes a violation of § 115.2(c) of the Board Rules.
4. Pursuant to Sections 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding a registered securities dealer.
5. Pursuant to Section 23-1, the foregoing violations of the Board Rules constitute bases for the assessment of an administrative fine against a securities dealer.

ORDER

1. It is therefore ORDERED that Prospera Financial Services, Inc. is hereby REPRIMANDED.

2. It is further ORDERED that Prospera Financial Services, Inc. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Thousand Dollars (\$5,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Thousand Dollars (\$5,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

3. It is further ORDERED that Prospera Financial Services, Inc. comply with the terms of the Undertaking enclosed herein.

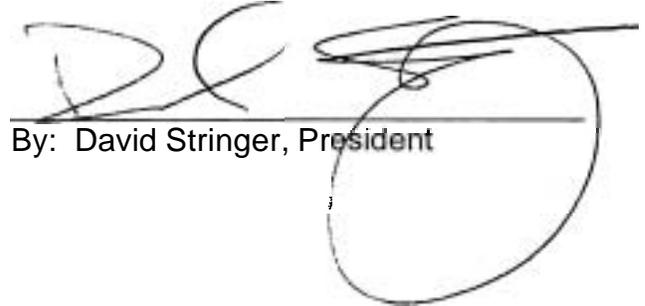
SIGNED AND ENTERED BY THE ^{DEPUTY} SECURITIES COMMISSIONER this 24TH
day of February, 2006. ^

DENISE VOIGT CRAWFORD
Securities Commissioner


Deputy SECURITIES Commissioner

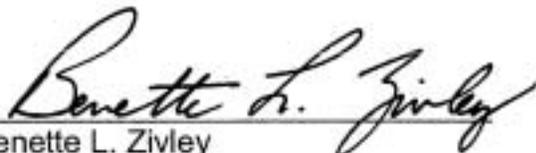
Respondents:

Prospera Financial Services, Inc.



By: David Stringer, President

Approved as to Form:

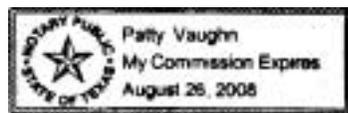


Benette L. Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 10th day of February, 2006, Prospera Financial Services, Inc. ("Respondent"), by and through, David Stringer, its President, personally appeared before me, executed the foregoing Order and Undertaking and acknowledges that:

1. David Stringer is duly authorized to enter into the foregoing Order and Undertaking on behalf of the Respondent;
2. David Stringer 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 therein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



[affix notary seal here]

Patty Vaughn
Notary Public in and for
the State of Texas

My commission expires on: 8-26-2008