

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

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

Phone: (512) 305-8300  
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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MEMBER

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IN THE MATTER OF THE DEALER  
REGISTRATION OF THE (WILSON)  
WILLIAMS FINANCIAL GROUP

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§  
§  
§

**Order No. ICO6-CAF-04**

TO: Wilson Henry Williams, President  
The (Wilson) Williams Financial Group (CRD No. 22704)  
12221 Merit Drive, Suite 300  
Dallas, Texas 75251

### DISCIPLINARY ORDER

Be it remembered that The (Wilson) Williams Financial Group ("Respondent"), by and through, Wilson Henry Williams, its President, 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. 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. 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 15, 1988, Respondent registered with the Securities Commissioner as a dealer, which is currently effective.
3. An employee (the "Order Taker") of Respondent entered pertinent data on the order memoranda related to orders placed by existing customers of Respondent.
4. The order memoranda completed by the Order Taker did not actually list the identity of the person who accepted the order, because the order memoranda contained inaccurate information regarding the person who accepted the order on behalf of the customers.

5. Pursuant to § 115.5(b)(6) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), a registered securities dealer must create and maintain an order memorandum of each brokerage order to document the terms and conditions of the order, including the identity of any person who entered or accepted the order on behalf of the customer.
6. Pursuant to § 115.1(b)(1) of the Board Rules, a dealer is required to register each branch office located in Texas with the Securities Commissioner.
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.
8. Respondent maintained records related to Respondent's securities activity at multiple locations not registered as branch offices with the Securities Commissioner ("Unregistered Offices").
9. From on or about January 1, 2004 to on or about December 20, 2004, Respondent conducted sales related activity at the Unregistered Offices.
10. Several of Respondent's branch offices have utilized names other than Respondent's in connection with securities activities for at least thirty (30) days.
11. The Uniform Application for Broker-Dealer Registration ("Form BD") requires Respondent to report, pursuant to Schedule E of the Form BD, any name, other than Respondent's, used by a branch office in connection with securities activity.
12. Pursuant to § 115.9(a)(6) of the Board Rules, a registered dealer is required to disclose to the Securities Commissioner, within thirty (30) days, any change in information previously disclosed to the Securities Commissioner on any application form or filing, which includes the Form BD.
13. Respondent has not disclosed the other names utilized at Respondent's branch offices, on Respondent's Form BD filed with the Securities Commissioner.
14. A registered agent (the "Agent") of Respondent is engaged in an outside business activity involving commodities trading. The registered agent disclosed the outside business activity to Respondent.
15. On or about January 12, 1999, and pursuant to § 115.2(a)(2) [formerly § 115.2(a)(1)] of the Board Rules, Respondent filed an Uniform Application for Securities Industry Registration and Transfer ("Form U-4") with the Securities Commissioner in connection with the Agent's application for registration with the Securities Commissioner as an agent of Respondent.

Pursuant to §§ 101.2(c) and 133.33(a) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Form U-4, have been adopted as Board Rules.

16. The Form U-4 requires the disclosure of any other business conducted by the agent, including any other business conducted by the agent, either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise.
17. Section 115.9(a)(6) of the Board Rules required Respondent to report, on the Agent's Form U-4, any change in information previously disclosed to the Securities Commissioner within thirty (30) days of such change.
18. Respondent did not disclose the Agent's outside business involving commodities trading on the Agent's Form U-4 within thirty (30) days of the Agent commencing such business.
19. Respondent permitted two registered agents at one of Respondent's branch offices to supervise each others activities by allowing the two registered agents to act as the principal for each others securities related activity.
20. On or about December 27, 2000, Respondent entered into Order No. CAF-1412 ( "December2000 Order") with the Securities Commissioner. The allegations in the December 2000 Order included: Respondent allowed a branch office to operate under an assumed name; Respondent failed to properly disclose agents' outside business activities and employment on the Form U-4; and that Respondent failed to establish a supervisory structure designed to reasonably enforce its own internal compliance rules.

#### CONCLUSIONS OF LAW

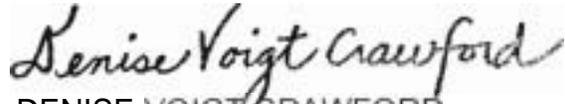
1. The order memoranda completed by the Order Taker failed to list the identity of the person who actually accepted the order on behalf of Respondent's customers in violation of § 115.5(b)(6) of the Board Rules.
2. Each location in Texas where Respondent's securities related records were maintained, constitutes a "branch office" as the term "branch office" is defined by § 115.1 (a)(2) of the Board Rules.
3. Respondent's failure to register each branch office in Texas constitutes a violation of § 115.1 (b)(1) of the Board Rules.
4. Respondent's sales related activity at unregistered branch offices constitutes a violation of § 115.2(c) of the Board Rules.
5. Respondent's failures to update its Form BD to reflect the use of other names in connection with securities activity at several of Respondent's branch offices constitute violations of § 115.9(a)(6) of the Board Rules.
6. Respondent's failure to timely update the Agent's Form U-4 to reflect the Agent's outside business involving commodities trading constitutes a violation of § 115.9(a)(6) of the Board Rules.

7. Respondent's allowance of two registered agents to act as principal for each other at a branch office resulted in Respondent maintaining a supervisory system that was not reasonably designed to achieve compliance with the Texas Securities Act and Board Rules, and constitutes a violation of § 115.10(a) of the Board Rules.
8. 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 securities dealer.
9. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Board Rules constitute bases for the issuance of an order assessing an administrative fine against a securities dealer.

ORDER

1. It is therefore ORDERED that The (Wilson) Williams Financial Group is hereby REPRIMANDED.
2. It is further-ORDERED that The (Wilson) Williams Financial Group is ASSESSED AN ADMINISTRATIVE FINE in the amount of Sixty Five Thousand Dollars (\$65,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Sixty Five Thousand Dollars (\$65,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 7<sup>th</sup> day of April, 2006.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

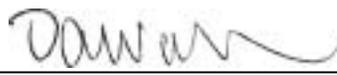
Respondent:

The (Wilson) Williams Financial Group

By:   
Wilson Henry Williams, President

Approved as to Form:

  
Benette L. Zivley  
Director  
Inspections and Compliance Division

  
Dan Waller  
Secore & Waller, L.L.P.  
Attorney for Respondents

**ACKNOWLEDGMENT**

On the 31<sup>st</sup> day of March, 2006, The (Wilson) Williams Financial Group ("Respondent"), by and through, Wilson Henry Williams, its President, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Wilson Henry Williams is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Wilson Henry Williams has read the foregoing Order;
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, 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]  Sharon D. Jones  
Notary Public in and for  
the State of Texas  
My commission expires on: 09/17/09