

DENISE VOIGTCRAWFORD
SECURITIES COMMISSIONER



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DEPUTY SECURITIES COMMISSIONER

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IN THE MATTER OF THE
INVESTMENT ADVISER REGISTRATION OF
CRABTREE CAPITAL MANAGEMENT, LLC §
§
§

Order No. IC06-CAF-17

TO: Paul Stewart Crabtree, Managing Member
Crabtree Capital Management, LLC (IARD No. 137747)
150 Industrial Ave., Suite 201
Azle, TX 76020

DISCIPLINARY ORDER

Be it remembered that Crabtree Capital Management, LLC ("Respondent CCM"), by and through Paul Stewart Crabtree its Managing Member, 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 CCM has waived (a) its right to notice and hearing in this matter; (b) its right to appear and present evidence in this matter; (c) its right to appeal this Order; and (d) all other procedural rights granted to Respondent CCM 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 November 8, 2005, Respondent CCM registered with the Securities Commissioner as an investment adviser, which is currently effective.
3. During the period from on or about November 2, 2005 to on or about February 17, 2006, Respondent CCM entered into Investment Management Agreements ("Agreements") with its investment advisory clients. Provision No. 21 of the Agreements, as provided by Respondent CCM to its clients for execution, included language that the client has received and reviewed the adviser's privacy policy.
4. During the period from on or about November 2, 2005 to on or about February 17, 2006, Respondent CCM had not created an adviser's privacy policy and had not provided such to its clients for review.

5. Pursuant to Section 4.F of the Texas Securities Act, a fraudulent practice includes any misrepresentation of a relevant fact.
6. Pursuant to Section 14.A(3) of the Texas Securities Act, the Securities Commissioner may reprimand a registered investment adviser if the person has engaged in any fraudulent business practice.
7. Pursuant to Section 23-1 of the Texas Securities Act, the Securities Commissioner may assess an administrative fine against any person found to have engaged in a fraudulent practice in connection with the rendering of services as an investment adviser.

UNDERTAKING

Respondent CCM undertakes and agrees that all advertisements, sales presentations, communications, and account forms, including but not limited to contracts and written agreements, that are used by Respondent CCM will not contain any untrue statement or misrepresentation of relevant fact.

CONCLUSIONS OF LAW

1. Providing clients with Agreements for execution, which contains a statement that the client has received and reviewed 'the adviser's privacy policy when no such policy exists and has not been provided, is a misrepresentation of a relevant fact and constitutes "fraudulent practices" as that term is defined by Section 4.F of the Texas Securities Act.
2. Pursuant to Section 14.A(3) of the Texas Securities Act, the forgoing fraudulent business practices constitute bases for the issuance of an order reprimanding a registered investment adviser.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing fraudulent practices in connection with the rendering of services as an investment adviser constitute bases for the issuance of an order assessing an administrative fine against an investment adviser.

ORDER

1. It is therefore ORDERED that Crabtree Capital Management, LLC is hereby REPRIMANDED.
2. It is further ORDERED that Crabtree Capital Management, LLC 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.

3. It is further ORDERED that Crabtree Capital Management, LLC COMPLY with the term of the Undertaking, contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 20TH
day of June, 2006.

Deputy

DENISE VOIGT CRAWFORD
Securities Commissioner

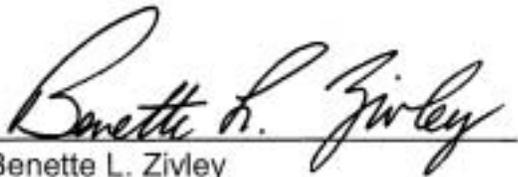
Don Rachele
Deputy Securities Commissioner

Respondent:
Crabtree Capital Management, LLC



Paul Stewart Crabtree
Managing Member

Approved as to Form:

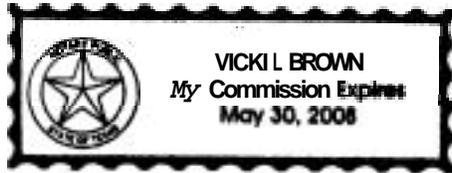


Benette L. Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 14th day of June, 2006, Crabtree Capital Management, LLC ("Respondent CCM"), by and through Paul Stewart Crabtree, its Managing Member, appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Paul Stewart Crabtree is duly authorized to enter into the foregoing Order and Undertaking on behalf of Respondent CCM;
2. Paul Stewart Crabtree has read the foregoing Order and Undertaking;
3. Respondent CCM has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent CCM 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 CCM, 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]

Vicki L. Brown
Notary Public in and for
The State of Texas

My commission expires on: 5/30/2008