

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  
www.ssb.state.tx.us

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### SOAH DOCKET NO. 312-07-0029 SSB DOCKET NO. 06-IC06

IN THE MATTER OF  
THE INVESTMENT ADVISER  
REPRESENTATIVE  
REGISTRATION OF  
IRA KLEIN

§  
§  
§  
§  
§

Order No. IC06-REV/FIN-44

TO: Ira Klein (CRD No. 4958710)  
I-Klein Investments, LLC  
10565 Katy Freeway, Suite 305  
Houston, TX 77024

Ira Klein  
11101 S. Country Squire  
Houston, TX 77024

### DEFAULT ORDER

Be it remembered that this is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of a DEFAULT ORDER pursuant to Sections 14 and 23-1 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2006) ("Texas Securities Act") and § 105.8(a)(2) of the Rules and Regulations of the Texas State Securities Board, 7 Tex. Admin. Code Chapter 101 et seq. (Supp. 2006) ("Board Rules").

The staff of the Inspections and Compliance Division of the Texas State Securities Board (the "Staff") has presented evidence sufficient for the Securities Commissioner to find that:

### FINDINGS OF FACT

1. On or about September 7, 2006, a Notice of Hearing, SOAH DOCKET NO. 312-07-0029, SSB DOCKET NO. 06-IC06 (the "Notice") was mailed by certified mail to Ira Klien ("Respondent") at the Respondent's last known residential address as filed with the Securities Commissioner, and the Respondent's last known **business address** as filed with the Securities Commissioner.

2. Within the Notice, the Staff requested that the registration of Respondent as an investment adviser representative with the Securities Commissioner be REVOKED and that Respondent be ASSESSED AN ADMINISTRATIVE FINE of Fifteen Thousand Dollars (\$15,000.00), and set forth the following matters:

- a. Respondent is a natural person whose last known business address, as filed with the Securities Commissioner, is 10565 Katy Freeway, Suite 305, Houston, Texas 77024 and whose last known residential address, as filed with the Securities Commissioner, is 11101 S. Country Squire, Houston, Texas 77024.
- b. On or about September 30, 2005, and pursuant to § 116.2(a)(2) of the Board Rules, Respondent filed a Uniform Application for Securities Industry Registration and Transfer ("Form U-4") with the Securities Commissioner in connection with his application to become registered with the Securities Commissioner as an investment adviser representative of I-Klein Investments, LLC ("I-Klein").

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.

- c. On or about October 17, 2005, Respondent was approved for registration with the Securities Commissioner as an investment adviser representative of I-Klein, which is currently effective.
- d. On or about February 27, 2006, Respondent was charged via an indictment with multiple counts of felony fraud by a federal grand jury in the Southern District of Texas (Houston Division).
- e. Item 14A.(1)(b) of the Form U-4 requires the Respondent to disclose whether he has ever been charged with any felony.
- f. On the Form U-4 filed by the Respondent on or about September 30, 2005, and all subsequent amendments thereto, Respondent has answered "No" to Item 14A.(1)(b) of the Form U-4.
- g. Pursuant to § 116.9(a)(6) of the Board Rules, each person registered as an investment adviser representative with the Securities Commissioner must report any change in information previously disclosed to the Securities Commissioner on any application form or filing.
- h. Respondent did not update his Form U-4 within thirty (30) days of being charged with the felonies by the federal grand jury.
- i. Respondent's failure to update his Form U-4 within thirty (30) days of being charged with the felonies constitutes a violation of § 116.9(a)(6) of the Board Rules, and is a basis for revocation of Respondent's registration

with the Securities Commissioner pursuant to Section 14.A(6) of the Texas Securities Act. Furthermore, Respondent's violation of § 116.9(a)(6) of the Board Rules is a basis for the assessment of an administrative fine against Respondent pursuant to Section 23-1 of the Texas Securities Act.

- j. Pursuant to § 116.9(a)(2) of the Board Rules, each person registered as an investment adviser representative with the Securities Commissioner must report any felony criminal action or conviction to the Securities Commissioner within thirty (30) days of such action or conviction.
  - k. Respondent did not report the indictment by the federal grand jury to the Securities Commissioner within thirty (30) days of the indictment being issued by the federal grand jury.
  - l. Respondent's failure report the indictment to the Securities Commissioner within thirty (30) days of the indictment being issued by the federal grand jury constitutes a violation of § 116.9(a)(2) of the Board Rules, and is a basis for revocation of Respondent's registration with the Securities Commissioner pursuant to Section 14.A(6) of the Texas Securities Act. Furthermore, Respondent's violation of § 116.9(a)(2) of the Board Rules is a basis for the assessment of an administrative fine against Respondent pursuant to Section 23-1 of the Texas Securities Act.
3. Pursuant to §105.8(a)(1) of the Board Rules, the Securities Commissioner may make an informal disposition of a contested case by default upon proof to the Securities Commissioner that the Notice was mailed to Respondent by certified mail, to the Respondent's last known address as shown by the records of the Texas State Securities Board, and that the Respondent has failed to file a written response as provided in §105.7 of the Board Rules.
  4. Section 105.7(a) of the Board Rules states that if a notice of hearing is mailed to a respondent at least thirty (30) days prior to the hearing in a contested case, the respondent shall file with both the Staff and SOAH a written answer or other responsive pleading to the matters asserted in the notice of hearing no later than the 20<sup>th</sup> day after the date the notice was mailed to the respondent.
  5. The hearing in this matter was scheduled for October 11, 2006. Therefore, the Notice was mailed at least thirty (30) days prior to the hearing.
  6. Respondent has not filed an answer or other responsive pleading to the matters asserted in the Notice.
  7. On or about October 2, 2006, the Staff filed a motion to dismiss the contested case from the SOAH Docket. On or about October 3, 2006, Administrative Law Judge, Gary W. Elkins, issued Order No. 1, Granting Dismissal, and thereby dismissed the matter from the SOAH docket.

## CONCLUSIONS OF LAW

1. Pursuant to § 105.8(a)(1) of the Board Rules, the following matters set forth in the Notice are deemed admitted as true:

- a. Respondent is a natural person whose last known business address, as filed with the Securities Commissioner, is 10565 Katy Freeway, Suite 305, Houston, Texas 77024 and whose last known residential address, as filed with the Securities Commissioner, is 11101 S. Country Squire, Houston, Texas 77024.
- b. On or about September 30, 2005, and pursuant to § 116.2(a)(2) of the Board Rules, Respondent filed a Uniform Application for Securities Industry Registration and Transfer ("Form U-4") with the Securities Commissioner in connection with his application to become registered with the Securities Commissioner as an investment adviser representative of I-Klein Investments, LLC ("I-Klein").

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.

- c. On or about October 17, 2005, Respondent was approved for registration with the Securities Commissioner as an investment adviser representative of I-Klein, which is currently effective.
- d. On or about February 27, 2006, Respondent was charged via an indictment with multiple counts of felony fraud by a federal grand jury in the Southern District of Texas (Houston Division).
- e. Item 14A.(1)(b) of the Form U-4 requires the Respondent to disclose whether he has ever been charged with any felony.
- f. On the Form U-4 filed by the Respondent on or about September 30, 2005, and all subsequent amendments thereto, Respondent has answered "No" to Item 14A.(1)(b) of the Form U-4.
- g. Pursuant to § 116.9(a)(6) of the Board Rules, each person registered as an investment adviser representative with the Securities Commissioner must report any change in information previously disclosed to the Securities Commissioner on any application form or filing.
- h. Respondent did not update his Form U-4 within thirty (30) days of being charged with the felonies by the federal grand jury.
- i. Respondent's failure to update his Form U-4 within thirty (30) days of being charged with the felonies constitutes a violation of § 116.9(a)(6) of the Board Rules, and is a basis for revocation of Respondent's registration

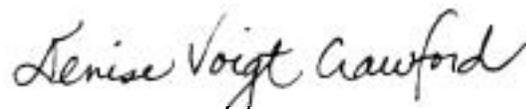
with the Securities Commissioner pursuant to Section 14.A(6) of the Texas Securities Act. Furthermore, Respondent's violation of § 116.9(a)(6) of the Board Rules is a basis for the assessment of an administrative fine against Respondent pursuant to Section 23-1 of the Texas Securities Act.

- j. Pursuant to § 116.9(a)(2) of the Board Rules, each person registered as an investment adviser representative with the Securities Commissioner must report any felony criminal action or conviction to the Securities Commissioner within thirty (30) days of such action or conviction.
  - k. Respondent did not report the indictment by the federal grand jury to the Securities Commissioner within thirty (30) days of the indictment being issued by the federal grand jury.
  - l. Respondent's failure report the indictment to the Securities Commissioner within thirty (30) days of the indictment being issued by the federal grand jury constitutes a violation of § 116.9(a)(2) of the Board Rules, and is a basis for revocation of Respondent's registration with the Securities Commissioner pursuant to Section 14.A(6) of the Texas Securities Act. Furthermore, Respondent's violation of § 116.9(a)(2) of the Board Rules is a basis for the assessment of an administrative fine against Respondent pursuant to Section 23-1 of the Texas Securities Act.
2. Pursuant to § 105.8(a)(l) of the Board Rules and Sections 14 and 23-1 of the Texas Securities Act, the relief requested in the Notice is granted.

### ORDER

1. It is therefore ORDERED that the registration of Ira Klein as an investment adviser representative is hereby REVOKED.
2. It is further ORDERED that Ira Klein is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Fifteen Thousand Dollars (\$15,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Fifteen Thousand Dollars (\$15,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 4<sup>th</sup>  
day of October, 2006.



DENISE VOIGT CRAWFORD  
Securities Commissioner