

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



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SOAH DOCKET NO. 312-07-1280 SSB DOCKET NO. 06-IC09

IN THE MATTER OF THE
AGENT REGISTRATION OF
CHRISTOPHER ANTHONY CORSO SR.

§
§
§

Order No. IC07-REV/FIN-05

TO: Christopher Anthony Corso Sr. (CRD No. 2414943)
CAC Capital Corporation
5711 Preston Oaks, No. 1728
Dallas, TX 75254

DEFAULT ORDER

Be it remembered that this is your OFFICIAL NO-I-ICE 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 §105.5 and §105.8(a) 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 December 29, 2006, a Notice of Hearing, SOAH Docket No. 312-07-1280, SSB Docket No. 06-IC09 (the "Notice"), was served on Christopher Anthony Corso Sr. ("Respondent").

The Notice:

- Provided more than 30 days prior notice to Respondent of the March 6, 2007 hearing date set for the matter;
- Contained the disclosure language required by §105.6(a)(1) of the Board Rules; and
- Was served by certified mail to Respondent's last known address as shown on Respondent's June 14, 2006 amended Uniform Application for Securities Industry Registration or Transfer ("Form U-4").

2. On or about January 30, 2007, a First Amended Notice of Hearing, SOAH Docket No. 312-07-1280, SSB Docket No. 06-IC09 (the "Amended Notice"), was served on Respondent.

The Amended Notice:

- Provided more than 30 days prior notice to Respondent of the March 6, 2007 hearing date set for the matter;
 - Contained the disclosure language required by §105.6(a)(1) of the Board Rules; and
 - Was served by certified mail to Respondent's last known address as shown on Respondent's June 14, 2006 amended Form U-4.
3. Within the Notice and the Amended Notice, the Staff requested that the registration of Respondent as an agent with the Securities Commissioner be REVOKED and that Respondent be ASSESSED AN ADMINISTRATIVE FINE of Fifteen Thousand Dollars (\$15,000.00).

The Amended Notice set forth the following matters:

- a. Respondent is a natural person whose last known business address, as filed with the Securities Commissioner, is 5711 Preston Oaks, No. 1728, Dallas, TX 75254.
- b. On or about June 10, 2004, Respondent registered with the Securities Commissioner as an agent of CAC Capital Corporation ("CACCC").
- c. On or about July 9, 2002, September 16, 2002, January 2, 2003, January 10, 2003, April 22, 2003, April 25, 2003, May 28, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, August 24, 2005 and June 14, 2006, Respondent filed with the Securities Commissioner Uniform Application for Securities Industry Registration or Transfer applications for registration or amendment of registration of Respondent ("Form U-4s"). Each of the Form U-4s were signed by Respondent.

Respondent signed section 15.A of the July 9, 2002, January 2, 2003 and May 28, 2004 Form U-4s attesting that he had read and understood the items and instructions on the Form U-4s, that he understood he would be subject to administrative, civil or criminal penalties if he gave false or misleading answers, that his answers were true and complete to the best of his knowledge, that he agreed to update the Form U-4s by causing an amendment to be filed on a timely basis whenever changes occurred to answers previously reported, and to the extent any information previously submitted was not amended, the information provided in the Form U-4s was currently accurate and complete.

- d. Pursuant to §101.2(c) and §133.33(a)(3) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Form U-4s, have been adopted as Board Rules and have the same force and effect.

The information required to be reported on the Form U-4s is deemed necessary by the Securities Commissioner to determine a person's business repute or qualifications.

- e. Pursuant to §115.9(a)(2) and §115.9(a)(6) of the Board Rules, each agent is required to report to the Securities Commissioner, within thirty (30) days, any felony criminal action or conviction and any change in information previously disclosed about the agent to the Securities Commissioner on any application form or filing.
- f. On or about March 13, 2002, a federal tax lien for approximately \$8,289.38 ("Lien") was entered against Respondent. On or about February 14, 2006, the Lien was released.
- g. Item 14M of the Form U-4s required Respondent to answer "yes" or "no" to the question: "Do you have any unsatisfied judgments or liens against you?". Respondent answered "no" to item 14M on the Form U-4s, thereby failing to disclose the unsatisfied Lien.
- h. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of driving while intoxicated 3rd(the "DWI"), a third degree felony due to prior convictions for the offenses of driving a motor vehicle while intoxicated. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the DWI felony. On or about January 22, 2004, Respondent entered a plea of guilty and was convicted of the DWI felony.
- i. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of possession of cocaine under one gram (the "Possession"), a state jail felony. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the Possession felony.
- j. Item 14A(1) of the Form U-4s required Respondent to answer "yes" or "no" to whether he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony. Respondent answered "no" to item 14A(1) of the Form U-4s, thereby failing to disclose the felony DWI charge, guilty plea and conviction, and the felony Possession charge.
- k. The failure to submit and amend the information as required by the Form U-4s concerning the unsatisfied Lien, the felony DWI charge, guilty plea and conviction, and the felony Possession charge, constitute violations of the Board Rules and also are material misrepresentations to the Securities

Commissioner. The forgoing felony conviction, violations and misrepresentations are bases for revocation of Respondent's registration with the Securities Commissioner, pursuant to Sections 14.A(1), 14.A(6) and 14.A(7) of the Texas Securities Act.

- I. The foregoing violations of the Board Rules are bases for assessment of an administrative fine against Respondent, pursuant to Section 23-1 of the Texas Securities Act.
4. Pursuant to §105.5 and §105.8(a) of the Board Rules and upon specified proof, the Securities Commissioner may make an informal disposition of a contested case by default, by issuing a order in which the relief requested in the notice of hearing is granted and the matters set forth in the notice of hearing are deemed admitted.
5. Respondent has failed to file with the Staff or with SOAH, any written answer or other responsive pleading to the matters asserted in either the Notice or the Amended Notice.
6. On or about February 27, 2007, the Staff filed a motion for dismissal of the matter from the SOAH docket to allow the Texas State Securities Board to informally dispose of this contested case on a default basis pursuant to §105.5 and §105.8(a) of the Board Rules. On or about March 1, 2007, Administrative Law Judge, Gary W. Elkins, issued SOAH Order No. 1, Granting Dismissal, and thereby dismissed the matter from the SOAH docket, allowing informal disposition under the Board Rules.

CONCLUSIONS OF LAW

1. The Notice and the Amended Notice were issued to Respondent by certified mail in accordance with §105.2 and §105.6(a) of the Board Rules.
2. The Notice and the Amended Notice provided for at least 30 days notice to Respondent prior to the hearing date in the matter, in compliance with §105.6(a)(1) and §105.7(a) of the Board Rules.
3. The Notice and the Amended Notice included disclosure of the default notice language as required by §105.6(a)(1) of the Board Rules.
4. Respondent failed to file with the Staff or with SOAH a written answer or other responsive pleading to the matters asserted in the Notice or the Amended Notice, as required by §105.7(a) of the Board Rules.

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

- a. Respondent is a natural person whose last known business address, as filed with the Securities Commissioner, is 5711 Preston Oaks, No. 1728, Dallas, TX 75254.
- b. On or about June 10, 2004, Respondent registered with the Securities Commissioner as an agent of CAC Capital Corporation ("CACCC").
- c. On or about July 9, 2002, September 16, 2002, January 2, 2003, January 10, 2003, April 22, 2003, April 25, 2003, May 28, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, August 24, 2005 and June 14, 2006, Respondent filed with the Securities Commissioner Uniform Application for Securities Industry Registration or Transfer applications for registration or amendment of registration of Respondent ("Form U-4s"). Each of the Form U-4s were signed by Respondent.

Respondent signed section 15.A of the July 9, 2002, January 2, 2003 and May 28, 2004 Form U-4s attesting that he had read and understood the items and instructions on the Form U-4s, that he understood he would be subject to administrative, civil or criminal penalties if he gave false or misleading answers, that his answers were true and complete to the best of his knowledge, that he agreed to update the Form U-4s by causing an amendment to be filed on a timely basis whenever changes occurred to answers previously reported, and to the extent any information previously submitted was not amended, the information provided in the Form U-4s was currently accurate and complete.

- d. Pursuant to § 101.2(c) and §133.33(a)(3) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Form U-4s, have been adopted as Board Rules and have the same force and effect.

The information required to be reported on the Form U-4s is deemed necessary by the Securities Commissioner to determine a person's business repute or qualifications.

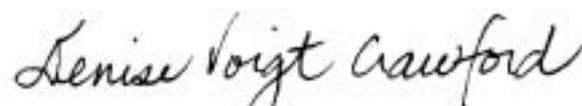
- e. Pursuant to §115.9(a)(2) and §115.9(a)(6) of the Board Rules, each agent is required to report to the Securities Commissioner, within thirty (30) days, any felony criminal action or conviction and any change in information previously disclosed about the agent to the Securities Commissioner on any application form or filing.
- f. On or about March 13, 2002, a federal tax lien for approximately \$8,289.38 ("Lien") was entered against Respondent. On or about February 14, 2006, the Lien was released.

- g. Item 14M of the Form U-4s required Respondent to answer "yes" or "no" to the question: "Do you have any unsatisfied judgments or liens against you?". Respondent answered "no" to item 14M on the Form U-4s, thereby failing to disclose the unsatisfied Lien.
 - h. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of driving while intoxicated 3rd(the "DWI"), a third degree felony due to prior convictions for the offenses of driving a motor vehicle while intoxicated. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the DWI felony. On or about January 22, 2004, Respondent entered a plea of guilty and was convicted of the DWI felony.
 - i. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of possession of cocaine under one gram (the "Possession"), a state jail felony. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the Possession felony.
 - j. Item 14A(1) of the Form U-4s required Respondent to answer "yes" or "no" to whether he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony. Respondent answered "no" to item 14A(1) of the Form U-4s, thereby failing to disclose the felony DWI charge, guilty plea and conviction, and the felony Possession charge.
 - k. The failure to submit and amend the information as required by the Form U-4s concerning the unsatisfied Lien, the felony DWI charge, guilty plea and conviction, and the felony Possession charge, constitute violations of the Board Rules and also are material misrepresentations to the Securities Commissioner. The forgoing felony conviction, violations and misrepresentations are bases for revocation of Respondent's registration with the Securities Commissioner, pursuant to Sections 14.A(1), 14.A(6) and 14.A(7) of the Texas Securities Act.
 - l. The foregoing violations of the Board Rules are bases for assessment of an administrative fine against Respondent, pursuant to Section 23-1 of the Texas Securities Act.
6. Pursuant to §105.5 and §105.8(a) of the Board Rules and Sections 14.A(1), 14.A(6), 14.A(7) and 23-1 of the Texas Securities Act, the forgoing conclusions of law constitute basis for the issuance of a default order revoking the registration of an agent and assessing an administrative fine against an agent.

ORDER

1. It is therefore ORDERED that the registration of Christopher Anthony Corso Sr. as an agent is hereby REVOKED.
2. It is further ORDERED that Christopher Anthony Corso Sr. 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, within thirty (30) days after the entry of this Order by the Securities Commissioner.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 5th day
of March, 2007.



DENISE VOIGT CRAWFORD
Securities Commissioner