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## Texas State Securities Board

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Phone: (512) 305-8300  
Facsimile: (512) 305-8310

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

IN THE MATTER OF §  
ARTHUR NEAL BUDGE, JR. §

Order No. IC07-CDO-15

TO: Arthur Neal Budge, Jr. (CRD No. 2618856)  
Budge Financial, Inc.  
4925 Greenville Ave., Ste. 1220  
Dallas, TX 75206

### DISCIPLINARY ORDER

Be it remembered that Arthur Neal Budge, Jr. ("Respondent"), 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 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. 2006) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2006) ("Administrative Procedure Act").
2. From on or about March 18, 1996 to on or about December 31, 2001, Respondent was registered with the Securities Commissioner as an agent authorized to act as an investment adviser representative for Budge Financial, Inc. From on or about January 1, 2002 to the present, Respondent has not been registered with the Securities Commissioner as an investment adviser representative. On or about June 22, 2007, Respondent filed an application with the Securities Commissioner for registration as an investment adviser representative for Budge Financial, Inc., which is currently pending.
3. Pursuant to Section 12.B of the Texas Securities Act and §116.1(b)(1)(A) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), any person employed, appointed or authorized by an investment adviser to act or render services for compensation as an investment adviser representative for such investment adviser in this state must first be registered as an investment

adviser representative for such investment adviser, notice-filed or otherwise exempt.

4. From on or about January 1, 2002 to the present, Respondent rendered services as an investment adviser representative in this state to the clients of Budge Financial, Inc. for compensation.
5. Pursuant to Section 23-1 of the Texas Securities Act, the Securities Commissioner may assess an administrative fine against any investment adviser representative found to have engaged in any act or practice that violates the Texas Securities Act or Board Rules.
6. Pursuant to Section 23.B of the Texas Securities Act, the Securities Commissioner may prohibit an unregistered person who is not exempt from the registration requirements from acting as an investment adviser representative in violation of the Texas Securities Act.

#### UNDERTAKING

Respondent undertakes and agrees that, for as long as Budge Financial, Inc. is a federal covered investment adviser rendering non-exempt services in this state, Respondent shall cause Budge Financial, Inc. to renew and maintain a notice-filing with the Securities Commissioner as required by Section 12-1 of the Texas Securities Act and §116.1(b)(2)(C) of the Board Rules.

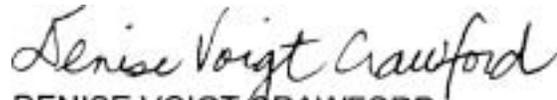
#### CONCLUSIONS OF LAW

1. From on or about January 1, 2002 to the present, Respondent rendered services in Texas as an "investment adviser representative" as that term is defined by Section 4.P of the Texas Securities Act.
2. From on or about January 1, 2002 to the present, Respondent rendered services in this state for compensation as an investment adviser representative for Budge Financial, Inc. in violation of Section 12.B of the Texas Securities Act and §116.1(b)(1)(A) of the Board Rules.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for assessing a fine against an investment adviser representative.
4. Pursuant to Section 23.B of the Texas Securities Act, the foregoing unregistered activities constitute bases for issuing a cease and desist order against an investment adviser representative.

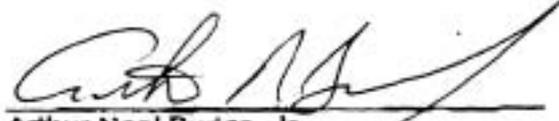
ORDER

1. It is therefore ORDERED that Arthur Neal Budge, Jr. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Thirty-Four Thousand Seven Hundred Fifty Dollars (\$34,750.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Thirty-Four Thousand Seven Hundred Fifty Dollars (\$34,750.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
2. It is further ORDERED that Arthur Neal Budge, Jr. CEASE AND DESIST from acting as an investment adviser representative in Texas until he is registered with the Securities Commissioner or is fully exempt from such registration.
3. It is further ORDERED that Arthur Neal Budge, Jr. COMPLY with the terms of the Undertaking, contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 28<sup>th</sup>  
day of June, 2007.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

**Respondent**



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Arthur Neal Budge, Jr.

**Approved as to Form:**

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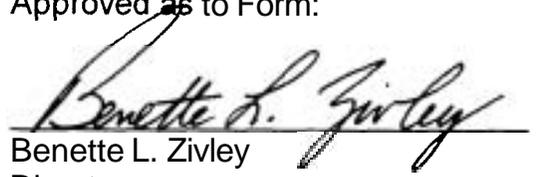
**Benette L. Zivley**  
**Director**  
**Inspections and Compliance Division**

Respondent:

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Arthur Neal Budge, Jr.

Approved as to Form:



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Benette L. Zivley  
Director  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the 26 day of JUNE, 2007, Arthur Neal Budge, Jr. ("Respondent") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that

1. Respondent has read the foregoing Order and Undertaking;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. 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
4. Respondent Budge, by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived his rights as set forth therein.

  
Notary Public in and for  
The State of TEXAS

[affix notary seal here]

My commission expires on: 06-12-2010

