

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

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DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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MEMBER

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IN THE MATTER OF  
THE DEALER REGISTRATION OF  
SOLOMON ADVISORS, INC.

§  
§  
§

**Order No. IC07-SUS-29**

TO: Samuel Pedraza Solomon, CEO  
Solomon Advisors, Inc. (CRD No. 26610)  
6320 LBJ Freeway, Suite 224  
Dallas, TX 75240

### DISCIPLINARY ORDER

Be it remembered that Solomon Advisors, Inc. ("Respondent"), by and through Samuel Pedraza Solomon, its CEO, 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 the Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2007) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2007) ("Administrative Procedure Act").
2. On or about August 14, 1990, Respondent registered with the Securities Commissioner as a securities dealer and an investment adviser. These registrations are currently effective.
3. On or about November 8, 2007, the staff of the Texas State Securities Board (the "Staff") requested specific documents and information from Respondent ("Staff's November 8th Request"). Specifically, the Staff's November 8th Request sought documents related to two arbitrations in which Respondent was a party, including correspondence between Respondent and each of the customers in those arbitrations. The arbitrations were related to Respondent's business activities as a securities dealer.

4. On or **about** November 12, 2007, Respondent submitted a response ("Respondent's November 12<sup>th</sup> Response") to the Staffs November 8<sup>th</sup> request letter. In response to the Staffs request for all correspondence between Respondent and each of the customers in specific arbitrations, Respondent stated that "Correspondence with both customers has been destroyed".
5. On or about November 14, 2007, the Staff contacted Respondent's CEO, Samuel Pedraza Solomon, via telephone to discuss Respondent's apparent destruction of correspondence. After being reminded of Respondent's books and records obligations, Mr. Solomon indicated that he would search Respondent's "archive" for documents responsive to the Staffs request for correspondence.
6. ~~On~~ or about November 16, 2007, Respondent produced correspondence and e-mails responsive to the Staffs November 8<sup>th</sup> Request.

#### CONCLUSIONS OF LAW

1. Respondent's representation in Respondent's November 12<sup>th</sup> Response that "Correspondence with both customers has been destroyed" was a material misrepresentation because Respondent was in possession of correspondence responsive to the Staffs request.
2. Respondent's material misrepresentation in Respondent's November 12<sup>th</sup> Response is a material misrepresentation in connection with any information deemed necessary to determine a dealer's business repute or qualifications and thus constitutes a basis for the suspension of Respondent's registration as a securities dealer with the Securities Commissioner pursuant to Section 14.A(7) of the Texas Securities Act.

#### ORDER

1. It is therefore ORDERED that the securities dealer registration of Solomon Advisors, Inc. with the Securities Commissioner is hereby SUSPENDED for a period of two (2) years from the date of this Order.
2. It is further ORDERED that Solomon Advisors, Inc. comply with the terms of an Undertaking entered in by Solomon Advisors, Inc. as incorporated by reference herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 20<sup>th</sup>  
day of December, 2007.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

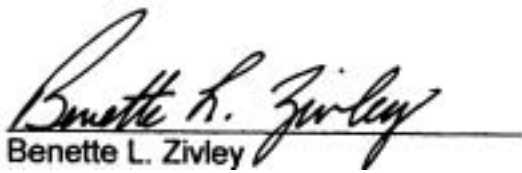
Respondent:

Solomon Advisors, Inc.

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By: ~~Samuel Pedraza Solomon~~, CEO

Approved as to Form:

A handwritten signature in black ink, appearing to read "Benette L. Zivley", written over a horizontal line.

Benette L. Zivley  
Director  
Inspections and Compliance Division

A handwritten signature in black ink, appearing to read "Ronak V. Patel", written over a horizontal line.

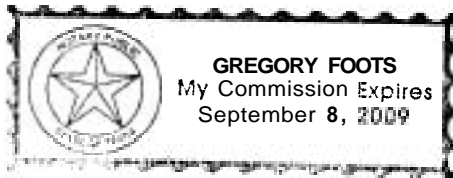
Ronak V. Patel  
Attorney  
Inspections and Compliance Division

### ACKNOWLEDGMENT

On the 19<sup>th</sup> day of DECEMBER, 2007, Solomon Advisors, Inc. ("Respondent"), by and through Samuel Pedraza Solomon, its CEO, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Samuel Pedraza Solomon is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Samuel Pedraza Solomon 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 and the 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]



Gregory Foots  
Notary Public in and for  
the State of Texas

My commission expires on: 9-8-09