

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

JOHN R. MORGAN
DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

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MEMBER

IN THE MATTER OF THE AGENT
REGISTRATION OF
JOHN DAVID BUTLER

§
§
§

Order No. IC08-SUS-04

TO: John David Butler (CRD No. 5436351)
Lone Star Securities, Inc.
15851 Dallas Parkway, Suite 105
Addison, TX 75001

DISCIPLINARY ORDER

Be it remembered that John David Butler ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order ("Order") and Undertaking ("Undertaking") 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 January 11, 2008, Respondent applied with the Securities Commissioner to become registered as an agent of Lone Star Securities, Inc., which is currently pending. Respondent has not previously been registered with the Securities Commissioner in the State of Texas.
3. From on or about August 2000 to on or about April 2002, Respondent was employed by BJ Oil Co., where his duties included sales of oil and gas interests from or in the State of Texas.
4. From on or about August of 2002 to on or about October 2005, and from on or about April 2006 to on or about June 2007, Respondent was employed by Signal Oil and Gas Co., where his duties included sales of oil and gas interests from or in the State of Texas.

5. Pursuant to Section 12.A. of the Texas Securities Act and § 115.1(b)(1)(A) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), no person shall render services as an agent in this state without first being registered as required by the Texas Securities Act.

UNDERTAKING

Respondent hereby undertakes and agrees to cooperate with any investigation by the Inspections & Compliance and Enforcement Divisions of the Texas State Securities Board or any other law enforcement agency relating to Respondent's prior employment, including, but not limited to, providing information or documents and testifying in any civil, administrative or criminal proceeding brought by this Agency or any other law enforcement entity or self-regulatory organization.

CONCLUSIONS OF LAW

1. Respondent's sale of securities without first being registered as required by the Texas Securities Act is a violation of Section 12.A. of the Texas Securities Act and § 115.1(b)(1)(A) of the Board Rules, which constitutes the basis for the issuance of an order reprimanding and suspending an agent pursuant to Section 14.A.(6) of the Texas Securities Act and assessing an administrative fine pursuant to Section 23-1.A(3) of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that the registration of John David Butler as an agent of Lone Star Securities, Inc. is hereby GRANTED.
2. It is further ORDERED that John David Butler is hereby REPRIMANDED.
3. It is further ORDERED that the agent registration of John David Butler is SUSPENDED for three (3) business days from the date this Order is signed by the Securities Commissioner.
4. It is further ORDERED that John David Butler is ASSESSED AN ADMINISTRATIVE FINE in the amount of Ten Thousand Dollars (\$10,000). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Ten Thousand Dollars (\$10,000), payable to the State of Texas, contemporaneously with the delivery of this Order.
5. It is further ORDERED that John David Butler COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED by the Securities Commissioner this 9th day of May, 2008.

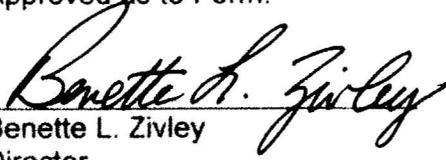

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:



John David Butler

Approved as to Form:

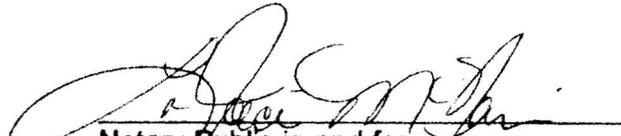


Benette L. Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 8 day of May, 2008, John David Butler ("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, 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

My Commission Expires: 7-30-2010

[affix notary seal here]

