

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



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DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

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CHAIR

BRYAN K. BROWN
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MEMBER

DERRICK MITCHELL
MEMBER

E. WALLY KINNEY
MEMBER

IN THE MATTER OF
THE DEALER REGISTRATION OF
H. BECK, INC.

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§
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Order No. IC10-CAF-16

TO: Eric G. Meyers, President and CEO
H. Beck, Inc. (CRD No. 1763)
11140 Rockville Pike, Suite 400
Rockville, MD 20852

DISCIPLINARY ORDER

Be it remembered that H. Beck, Inc. ("Respondent"), by and through Eric G. Meyers, its President and CEO, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("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 Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2009)("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN, § 2001.001 et seq. (Vernon 2008 & Supp. 2009)("Administrative Procedure Act").
2. On or about June 28, 1984, Respondent registered with the Securities Commissioner as a dealer. This registration is currently effective.
3. On or about May 11, 2007, one of Respondent's Texas based agents ("Agent") entered into a marketing agreement with a third-party. Pursuant to this agreement, the third-party provided the Agent certain marketing materials created by the third-party. The Agent paid the third-party for the marketing materials.
4. The marketing materials included a book prepared by the third-party's CEO regarding investment-related issues. The Agent's name was printed on the front cover of the book along with the third-party CEO's name, which implied that the

Agent was responsible for co-authoring the book. In reality, the Agent purchased the right to have her name listed on the book's cover. The Agent only wrote the preface of the book. Furthermore, the book was not identified as a marketing piece.

5. The Agent provided the book to clients and potential clients during client meetings and investment seminars.
6. On or about June 18, 2009, the staff of the Texas State Securities Board ("Staff") contacted the Agent regarding her use of the book. On or about July 7, 2009, the Agent provided the Staff a copy of the book and confirmed that she previously distributed the book to clients and potential clients.
7. On or before July 7, 2009, Respondent was aware of the Staff's request and the Agent's response. Based on this, Respondent knew, or should have known, the details of the book and that the Agent was using the book as a marketing piece.
8. Furthermore, Respondent's policies and written procedures prohibit the use of misleading communications and marketing materials. However, Respondent did not enforce this procedural requirement because Respondent did not immediately prohibit the Agent's use of the book. Furthermore, Respondent did not instruct the Agent to identify the book as marketing material and inform recipients that the Agent only wrote the preface.
9. Respondent's written supervisory procedures require its agents to obtain prior approval from Respondent of all advertising and marketing materials used by the agents.
10. The Agent never sought or received written approval to use the book in connection with her marketing efforts. As a result of the July 7, 2009 response to the Staff, Respondent knew, or should have known, that the Agent was using a marketing piece that Respondent had not reviewed or approved. Nonetheless, Respondent did not even review the book until the Staff sent a follow-up request to Respondent in March 2010.
11. After reviewing the book in March 2010, Respondent instructed the agent to cease using the book until the book complied with the Respondent's policies. To that end, Respondent required the Agent to include clear disclosures stating that the Agent only wrote the preface and that the book was prepared by the third-party.

CONCLUSIONS OF LAW

1. Respondent's failures to enforce multiple written procedures designed to achieve compliance with the Texas Securities Act and Rules and Regulations of the Texas State Securities Board ("Board Rules") constitute violations of §115.10(b)(1) of the Board Rules.

2. Pursuant to Section 14.A(6) of the Texas Securities Act, Respondent's violations of §115.10(b)(1) of the Board Rules constitute bases for the issuance of an Order reprimanding Respondent.
3. Pursuant to Section 23-1 of the Texas Securities Act, Respondent's violations of §115.10(b)(1) of the Board Rules constitute bases for the assessment of an administrative fine against Respondent.

ORDER

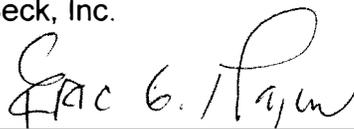
1. It is hereby ORDERED that H. Beck, Inc. is REPRIMANDED.
2. It is further ORDERED that H. Beck, Inc. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Nine Thousand Five Hundred Dollars (\$9,500.00). Payment shall be made by delivery of a company check to the Securities Commissioner in the amount of Nine Thousand Five Hundred Dollars (\$9,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 27th
day of July, 2010.


DENISE VOIGT CRAWFORD
Securities Commissioner

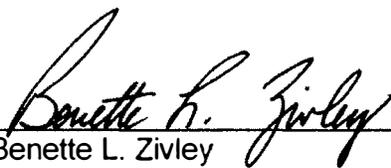
Respondent:

H. Beck, Inc.



By: Eric G. Meyers, President and CEO

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division



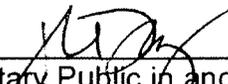
Ronak V. Patel
Assistant Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 26th day of July, 2010, H. Beck, Inc. ("Respondent"), by and through Eric G. Meyers, its President and CEO, personally appeared before me, executed the foregoing Order, and acknowledges that:

1. Eric G. Meyers is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Eric G. Meyers 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.

Julie Dungan commissioned as Julie Brigham



Notary Public in and for
the State of Maryland

[affix notary seal here]

My commission expires on: 8, May 2011