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## *Texas State Securities Board*

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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Phone: (512) 305-8300  
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IN THE MATTER OF THE §  
INVESTMENT ADVISER REGISTRATION § **Order No. IC12-SUS-05**  
OF DENNIS TATE BROCK D/B/A §  
B&F INVESTMENT STRATEGIES §

TO: Dennis Tate Brock (CRD No. 114777)  
d/b/a B&F Investment Strategies  
102 S. Broad, Suite 2D  
Cedar Hill, TX 75104

### **DISCIPLINARY ORDER**

Be it remembered that Dennis Tate Brock d/b/a B&F Investment Strategies ("Respondent"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and 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 Respondent by The Securities Act, Tex. Rev. Civ. Stat. Ann. art. 581-1 et seq. (West 2010 & Supp. 2011) ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. § 2001.001 et seq. (West 2008 & Supp. 2011) ("Administrative Procedure Act").
2. On or about June 4, 1999, Respondent registered with the Securities Commissioner as an investment adviser. This registration is currently effective.
3. On or about February 1, 2005, Respondent entered into an Undertaking with the Securities Commissioner ("Undertaking"). In the Undertaking, Respondent specifically agreed to "obtain written advisory agreements for all of [his] advisory clients by February 28, 2005."
4. From September 28, 2010 to September 30, 2010, the Staff performed an inspection of Respondent's investment advisory activities ("Inspection").

5. During the Inspection, the Staff found that, contrary to Respondent's specific agreement in the Undertaking, Respondent did not obtain written advisory agreements for all of his advisory clients by February 28, 2005.
6. Additionally, Respondent failed to make or keep current general and auxiliary ledgers, or other comparable records, reflecting asset, liability, reserve, capital, income and expense accounts.
7. Respondent failed to report to the Securities Commissioner within thirty (30) days all changes in information previously reported on Respondent's Uniform Application for Investment Adviser Registration ("Form ADV").
8. Respondent failed to deliver Respondent's Form ADV Part II, or an alternate disclosure statement, to all clients and prospective clients prior to or at the time the clients entered into a contract with Respondent. Respondent also failed to offer Respondent's Form ADV Part II, or an alternate disclosure statement, to all clients on an annual basis.
9. Respondent failed to establish written policies and procedures reasonably designed to prevent the misuse of material nonpublic information.

#### CONCLUSIONS OF LAW

1. Respondent's failure to obtain written advisory agreements for all of his advisory clients by February 28, 2005 is a violation of Respondent's Undertaking with the Securities Commissioner.
2. Respondent's failure to make or keep current general and auxiliary ledgers, or other comparable records reflecting asset, liability, reserve, capital, income and expense accounts, is a violation of §116.5(a)(2) [formerly §116.5(b)(2)] of the Rules and Regulations of the Texas State Securities Board ("Board Rules").
3. Respondent's failure to report to the Securities Commissioner within thirty (30) days all changes in information previously reported on Respondent's Form ADV is a violation of §116.9(a)(6) of the Board Rules.
4. Respondent's failure to deliver Respondent's Form ADV Part II, or an alternate disclosure statement, to all clients and prospective clients prior to or at the time the clients entered into a contract with Respondent, and Respondent's failure to offer all clients Respondent's Form ADV Part II, or an alternate disclosure statement, on an annual basis, are violations of §116.11 of the Board Rules.
5. Respondent's failure to establish written policies and procedures reasonably designed to prevent the misuse of material nonpublic information is a violation of §116.14 of the Board Rules.
6. Pursuant to Section 14.A(11) of the Texas Securities Act, Respondent's violation of Respondent's Undertaking with the Securities Commissioner is a basis for the

issuance of an Order suspending Respondent's registration with the Securities Commissioner.

7. Pursuant to Section 14.A(6) of the Texas Securities Act, Respondent's violations of the Board Rules are bases for the issuance of an Order suspending Respondent's registration with the Securities Commissioner.
8. Pursuant to Section 23-1 of the Texas Securities Act, Respondent's violations of the Board Rules are bases for the issuance of an administrative fine against Respondent.

### UNDERTAKING

1. Respondent undertakes and agrees to retain an independent outside consultant ("Consultant") that is not unacceptable to the Staff, within thirty (30) days of the date this Order is entered by the Securities Commissioner.
2. Respondent further undertakes and agrees to submit, at least ten (10) days prior to retaining the Consultant, a letter to the Director of the Inspections and Compliance Division of the Texas State Securities Board ("Director") identifying: the Consultant, the Consultant's experience in the securities industry, and all pre-existing personal and business relationships between the Consultant and Respondent.
3. Respondent further undertakes and agrees to retain the Consultant to perform a review ("Review"), within sixty (60) days of the date this Order is entered by the Securities Commissioner, and at least annually thereafter for a period of two (2) years, of Respondent's business activities to monitor for compliance with applicable securities laws.
4. Respondent further undertakes and agrees to require the Consultant to deliver to Respondent, within thirty (30) days of each Review, a report ("Report") describing the areas the Consultant reviewed and its findings and recommendations.
5. Respondent further undertakes and agrees to submit to the Director within fifteen (15) days of receiving each Report: (1) the Report; and (2) a statement identifying all corrective measures taken by Respondent in response to the Report, and stating the reason(s) for not following any of the Consultant's recommendations.

### ORDER

1. It is therefore ORDERED that the investment adviser registration of Dennis Tate Brock with the Securities Commissioner is hereby SUSPENDED for a period of fifteen (15) business days from the date this Order is entered by the Securities Commissioner.
2. It is further ORDERED that Dennis Tate Brock is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Thousand Dollars (\$2,000.00). Payment shall be made by delivery of a cashier's check to the Securities

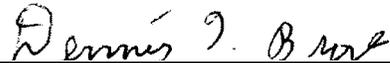
Commissioner in the amount of Two Thousand Dollars (\$2,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

3. Dennis Tate Brock is further ORDERED TO COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 6th  
day of January, 2012.

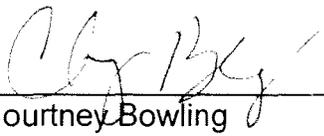
  
JOHN R. MORGAN  
Securities Commissioner

Respondent:

  
\_\_\_\_\_  
Dennis Tate Brock

Approved as to Form:

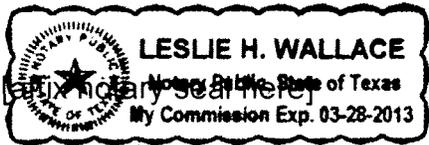
  
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Ronak V. Patel  
Director  
Inspections & Compliance Division

  
\_\_\_\_\_  
Courtney Bowling  
Attorney  
Inspections & Compliance Division

**ACKNOWLEDGMENT**

On the 23 day of December, 2011, Dennis Tate Brock ("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, has knowingly and voluntarily waived his rights as set forth therein.



Leslie H. Wallace  
Notary Public in and for  
the State of Texas

My commission expires on: 3/28/13