

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



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State Securities Board

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JOSE ADAN TREVINO
MEMBER

SSB Docket No. 99-031

IN THE MATTER OF THE APPLICATION
FOR AGENT REGISTRATION OF
JERRY DON BAILEY

§
§
§

Order No. CAF-1360

TO: Jerry Don Bailey (CRD # 1756858)
310 Lake Trail Ct.
Double Oak, TX 75077

DISCIPLINARY ORDER REPRIMANDING AN AGENT

Be it remembered that Jerry Don Bailey ("Respondent") 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 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. 1999) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 1999) ("Administrative Procedure Act").
2. Respondent filed an application for registration with the Securities Commissioner as an agent of Centaurus Financial, Inc. on or about April 21, 1999 which is currently pending.
3. Respondent was previously registered with the Securities Commissioner as an agent of Washington Square Securities, Inc. from on or about March 22, 1995 to on or about April 25, 1996, and National Planning Corporation from on or about

August 22, 1996 to on or about November 30, 1998. Respondent filed an application for registration as an agent of Legacy Financial Services, Inc. on or about November 21, 1998. Said application was withdrawn on or about April 6, 1999.

4. Respondent offered and sold securities outside the scope of his employment with any dealer with which he was registered. Accordingly, Respondent offered and sold securities at a time he was not registered as required by Section 12 of the Texas Securities Act.
5. Respondent failed to amend his Form U-4 application filed with the Securities Commissioner as an agent of Washington Square Securities, Inc. to disclose the outside securities activity described above.
6. Respondent failed to disclose his outside securities activity in the employment history section of his Form U-4 application with National Planning Corporation and Legacy Financial Services, Inc.
7. Pursuant to § 101.2(c) of the Rules and Regulations of the State Securities Board ("Board Rules") certain forms required to be filed with the Securities Commissioner, including Form U-4, have been adopted as Board Rules.

UNDERTAKING

1. Respondent agrees that he will not engage in any outside business activities without first obtaining written authorization from his dealer.

CONCLUSIONS OF LAW

1. A failure to disclose or update information required by Form U-4 constitutes a violation of a Board Rule.
2. The foregoing constitutes a violation of Sections 12.A, 14.A(6) and 14.A(7) of the Texas Securities Act, which are bases for the issuance of an order reprimanding an agent.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Texas Securities Act and Board Rules constitute bases for the issuance of an order assessing an administrative fine against an agent.

ORDER

1. It is therefore ORDERED that the application for registration of Jerry Don Bailey as an agent of Centaurus Financial, Inc. is hereby GRANTED.

2. It is further ORDERED that Respondent SHALL COMPLY with the terms of the Undertaking set forth in this Order.
3. It is further ORDERED that the Respondent is hereby REPRIMANDED.
4. It is further ORDERED that Respondent is ASSESSED AN ADMINISTRATIVE FINE in the amount of Three Thousand Dollars (\$3,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Three Thousand Dollars (\$3,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 3rd day
of May, 1999.

Denise Voigt Crawford
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:
Jerry Don Bailey

Jerry Don Bailey

Approved as to Form:

Michael S. Gunst
Michael S. Gunst, Director
Dealer Registration Division

Charles S. Neal
Charles S. Neal, Attorney
Enforcement Division

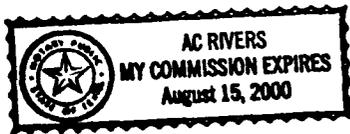
ACKNOWLEDGMENT

On the 30 day of April, 1999, Jerry Don Bailey, Respondent, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent has read the foregoing Order;
2. Respondent has been fully advised of Respondent's 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 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 Respondent's rights as set forth therein.

A.C. Rivers
Notary Public in and for
the State of Texas

[affix notary seal here]



My commission expires on:

Aug 15 / 2000