

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



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State Securities Board

MAIL: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

200 E. 10th Street, 5th Floor
Austin, Texas 78701
Phone (512) 305-8300
FAX (512) 305-8310
<http://www.ssb.state.tx.us>

JOSE ADAN TREVINO
MEMBER

SSB Docket No. 99-003

IN THE MATTER OF THE APPLICATION
FOR AGENT REGISTRATION OF
DAVID JAMES KELLY

§
§
§
§

Order No. CEN/FIN-1332

To: Mr. David James Kelly (CRD# 2142978)
335-B Fantail Loop
Austin, Texas 78734

DISCIPLINARY ORDER REPRIMANDING AN AGENT

Be it remembered that David James Kelly ("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

- 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").
- Respondent was charged with a felony on or about October 20, 1992. A nolle prosequi of the case was entered on the record on or about February 8, 1993.
- The Form U-4 application for registration requires applicants to disclose any felony charge.
- Respondent was registered with the Securities Commissioner as an agent of RAS Securities Corp. from on or about August 30, 1995 to on or about April 30, 1998. Respondent was registered with the Securities Commissioner as an agent of SunAmerica Securities, Inc. from on or about May 5, 1998 to on or about September 11, 1998. While applying for registration with RAS Securities Corp. and

SunAmerica Securities, Inc., Respondent failed to disclose the felony charge on his Form U-4 applications for registration.

5. Respondent filed an application for registration with the Securities Commissioner as an agent of Royal Alliance Associates, Inc. on or about December 8, 1998, which is currently pending before the Securities Commissioner. Respondent disclosed the felony charge on his present Form U-4 application for registration as required by that form.
6. Pursuant to §101.2(c) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including Form U-4, have been adopted as Board Rules.

CONCLUSIONS OF LAW

1. A failure to disclose information required by Form U-4 constitutes a violation of a Board Rule.
2. The foregoing rule violation constitutes a violation of Sections 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 Rule constitute bases for the issuance of an order assessing an administrative fine against an agent.

ORDER

1. It is therefore ORDERED that the registration of David James Kelly as an agent of Royal Alliance Associates, Inc. is hereby GRANTED;
2. It is further ORDERED that Respondent is hereby REPRIMANDED;
3. It is further ORDERED that Respondent shall pay an ADMINISTRATIVE FINE in the amount of Five Hundred Dollars (\$500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Hundred Dollars (\$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 January, 1999.

Denise Voigt Crawford
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:
David James Kelly

David Kelly

Approved as to Form:

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

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

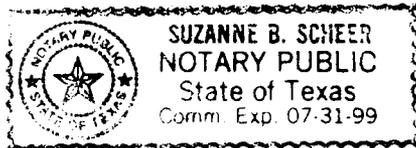
ACKNOWLEDGMENT

On the 27th day of January, 1999, David James Kelly, 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 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 Conclusion 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.

Suzanne B. Scheer
Notary Public in and for
the State of Texas

[affix notary seal here]



My commission expires on:

7/31/99