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SECURITIES COMMISSIONER



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State Securities Board

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

200 E. 10th Street, 8th Floor
Austin, Texas 78701
Phone (512) 305-8300
FAX (512) 305-8310
<http://www.ssb.state.tx.us>

JOSE ADAN TREVIÑO
MEMBER

SSB DOCKET NO. 99-023

IN THE MATTER OF THE INVESTMENT
ADVISER REGISTRATION OF GREGORY
PAUL MORGAN dba STRATEGIC
FINANCIAL MANAGEMENT

§
§
§
§

Order No. CAF-1352

TO: Mr. Gregory Paul Morgan
dba Strategic Financial Management
5310 Harvest Hill, Suite 250
Dallas, Texas 75230

DISCIPLINARY ORDER REPRIMANDING AN INVESTMENT ADVISER

Be it remembered that Gregory Paul Morgan dba Strategic Financial Management ("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 the 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 is currently registered with the Securities Commissioner as an investment adviser.
3. Respondent used unregistered solicitors for the solicitation of investment advisory clients in violation of § 12 of the Texas Securities Act.

UNDERTAKING

In connection with the settlement of this matter, Respondent agrees to the following

undertaking:

1. Respondent agrees to employ a securities consultant to review Respondent's procedures relating to its advisory business to ensure that they are in compliance with the Texas Securities Act and the Rules and Regulations of the State Securities Board. The Respondent will submit within 30 days after this Order is signed by the Securities Commissioner, a report by the securities consultant to the Director of Enforcement of the State Securities Board detailing the review, including any recommendations relating to the Respondent's use of solicitors. Respondent agrees to implement any recommendations made by the securities consultant, unless such requirement is waived in writing by the Director of Enforcement of the State Securities Board.
2. Respondent agrees to employ a securities consultant one year after the first report is submitted to the Director of Enforcement by the securities consultant that to verify that Respondent's practices and procedures including use of solicitors is in compliance with the Texas Securities Act and the Rules and Regulations of the State Securities Board.
3. Respondent agrees not to deal with any person as a solicitor who is not properly registered with the Securities Commissioner as required by the provisions of the Texas Securities Act or is exempt from registration. In the event that the solicitor claims an exemption under the Texas Securities Act, Respondent agrees to independently verify the existence of the exemption and to document this review in writing.

CONCLUSIONS OF LAW

1. Pursuant to § 14.A(6) of the Texas Securities Act, the foregoing violation constitutes a basis for the issuance of an order reprimanding an investment adviser.
2. Pursuant to § 23-1 of the Texas Securities Act, the foregoing violation constitutes a basis for the issuance of an order assessing an administrative fine against an investment adviser.

ORDER

1. It is therefore ORDERED that Gregory Paul Morgan dba Strategic Financial Management is hereby REPRIMANDED.
2. It is further ORDERED that Gregory Paul Morgan dba Strategic Financial Management is ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Thousand Dollars (\$5,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Thousand Dollars (\$5,000.00), payable to the State of Texas, contemporaneously with the delivery of

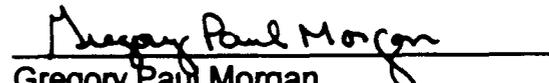
this Order.

3. It is further ORDERED that Gregory Paul Morgan dba Strategic Financial Management comply with the terms of the Undertaking contained in this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 26th day of March, 1999.


DENISE VOIGT CRAWFORD
Securities Commissioner

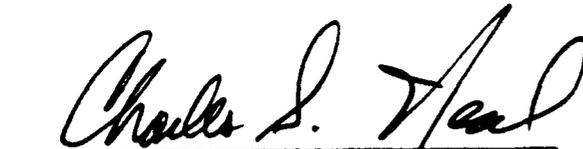
Respondent:


Gregory Paul Morgan
dba Strategic Financial Management

Approved as to Form:


Michael S. Gunst, Director
Dealer Registration Division


Janet Mortenson
Attorney for Respondent


Charles S. Neal, Attorney
Enforcement Division

ACKNOWLEDGMENT

On the 22nd day of March, 1999, Gregory Paul Morgan dba Strategic Financial Management, Respondent, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Gregory Paul Morgan has read the foregoing Order;
2. Gregory Paul Morgan been fully advised his rights under The Securities Act and the Administrative Procedure Act;
3. Gregory Paul Morgan knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
4. Gregory Paul Morgan, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Sharon L. Betz
Notary Public in and for
the State of Texas

[affix notary seal here]

My commission expires on: 4-1-02

