

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
CRESCENT SECURITIES GROUP, INC. ) ADMINISTRATIVE ORDER  
 ) NO. CO-2004- 0025  
 )  
RESPONDENT )

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the State of Alabama, has determined as follows:

RESPONDENT

1. CRESCENT SECURITIES GROUP, INC. ("CRESCENT") is a Texas corporation operating as a broker-dealer with a business address of 5580 LBJ Freeway, Suite 560, Dallas, Texas 75240.

STATEMENT OF FACTS

2. CRESCENT filed an application for registration as a broker-dealer with the Alabama Securities Commission via the Central Registration Depository ("CRD") of NASD on November 7, 2003.

3. On November 21, 2003, the Commission staff issued a deficiency letter to

CRESCENT requesting additional information to include a statement relating to any possible prior sales activity which CRESCENT may have conducted in Alabama.

4. On November 21, 2003, the Commission staff issued a visitation letter pursuant to § 8-6-3(i), Code of Alabama 1975, to Southwest Securities, Inc. ("SOUTHWEST"), CRESCENT's clearing firm, requesting account information for any accounts, serviced by SOUTHWEST on behalf of CRESCENT, for which a client maintained an Alabama address.

5. On December 1, 2003, the Commission staff received a response from CRESCENT dated November 24, 2003, stating:

"Account transferred in from another broker/dealer, and there has been no activity since being transferred."

6. On December 12, 2003, the Commission staff received correspondence from SOUTHWEST indicating that CRESCENT maintained 2 accounts for Alabama residents. The information indicated that securities transactions were conducted in one of the aforementioned accounts.

7. Ms. Beverly Davis contacted the Commission staff, via telephone, and explained that the Alabama resident accounts occurred as a result of a transfer of agents from an Alabama registered broker/dealer. By letter dated July 6, 2004, the Commission staff requested additional information from CRESCENT relating to their existing Alabama client accounts to include the dates of the account transfers, the broker/dealer from which they were transferred and a statement explaining the transactions which had occurred in the accounts since the transfers.

8. By letter dated July 15, 2004, received by the Commission staff on July 19, 2004, CRESCENT provided an explanation of the circumstances giving rise to the prior sales activity of CRESCENT and CRESCENT's failure to disclose such activity.

9. By letter dated October 20, 2004, CRESCENT offered Ms. Ina King, the

only Alabama resident for which CRESCENT effected transactions, rescission on the five bond purchases conducted in her account. Ms. King returned a rejection of the rescission offer dated October 25, 2004. A copy of Ms. Kings response was forwarded to the Commission staff on November 2, 2004.

### CONCLUSIONS OF LAW

10. It is unlawful for any dealer to effect or attempt to effect sales of securities in this state unless he is registered pursuant to § 8-6-3(a), Code of Alabama 1975. CRESCENT effected securities transactions in the account of an Alabama resident during the period from September 2003 through June 2004 without the benefit of registration in the state of Alabama.

**WHEREAS**, CRESCENT admits that the securities transactions were effected in the State of Alabama prior to the registration of CRESCENT and that no applicable transactional exemptions were available, and state that the information and assertions presented to the Commission during it's investigation of this matter are true and correct; that CRESCENT understands the Commission's reliance upon such information and assertions in it's determination to accept this ORDER, and that should this information or these assertions prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil, or criminal remedies that may be available to it under the provisions of the Act.

**WHEREAS**, CRESCENT has voluntarily waived all rights to a hearing upon entry of this ORDER, and has consented to the entry of this ORDER, and

**WHEREAS**, the Commission finds this ORDER necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, and

**WHEREAS**, the Commission and CRESCENT are desirous of settling this matter as hereafter set forth and agree to the entry of this ORDER.

**ACCORDINGLY, IT IS HEREBY ORDERED:**

1. That CRESCENT shall, until such time as the firm and its agents are properly registered in this state, refrain from effecting transactions in securities into, within or from the State of Alabama.

2. That CRESCENT shall not employ, or allow to act on their behalf in effecting transactions in securities in this state, any broker-dealer or agent who is not appropriately registered or exempt from registration under the Alabama Securities Act.

3. That CRESCENT shall ensure that proper procedures are enacted to preclude any future non-compliance with the Act.

4. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, CRESCENT shall pay to the State of Alabama an administrative assessment in the total sum of One Thousand, Six Hundred and Eighty-Four Dollars (\$1684), said funds to be tendered in certified funds contemporaneously with the entry of this ORDER.

5. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, CRESCENT shall pay to the Alabama Securities Commission, as partial reimbursement for the Commission's cost for investigating this matter, the sum of Three Hundred Dollars (\$300.00), said funds to be tendered in certified funds contemporaneously with the entry of this ORDER.

ORDERED AND CONSENTED to on dates indicated:

**RESPONDENT:**

**CRESCENT SECURITIES GROUP, INC.**

Nick Duren  
President

BY: 

DATE: 11-30-2004

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APPROVED AND ORDERED this 8<sup>th</sup> day of December, 2004

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:



JOSEPH P. BORG  
Director

Signed by Susan B. Anderson, Deputy Director

