

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: RICHARD S. GREGORY )  
\_\_\_\_\_) )

FILE NO. 0200537

ORDER OF REVOCATION

TO THE RESPONDENT:

Richard S. Gregory  
(CRD#: 2837455)  
566 Freestone  
Allen, Texas 75002

c/o Lone Star Securities, Inc.  
15851 Dallas Parkway  
Suite 105  
Addison, Texas 75001

WHEREAS, the above-captioned matter came on to be heard on April 2, 2003, pursuant to the Notice of Hearing dated February 14, 2003, FILED BY Petitioner Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer Soula J. Spyropoulos, Esq. in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. The Department gave proper notice of the hearing to Respondent.
2. As the Department gave proper notice of the hearing to the Respondent, the Department has personal jurisdiction over Respondent under Section 11 of the Act.

Order of Revocation

-2-

3. Respondent failed to appear, whether personally or through counsel, at the hearing.
4. The Department offered exhibits, identified above, each of which was received and admitted into evidence, a proper record of all proceedings having been made and preserved as required.
5. No outstanding petitions, motions, of objections exist as to this proceeding.
6. At all material and relevant times, Respondent was registered with the Secretary of State as a salesperson in the State of Illinois.
7. On April 25, 2002, without admitting or denying the violations alleged by the Department of Enforcement of NASDR (the "Complaint") via Order Accepting the Offer of Settlement and the Status Report therewith, Respondent accepted and consented to the entry of the findings of fact and the violations consistent with the allegations of the Complaint that on or about December 8, 1999, while associated with his former employing dealer, Respondent executed one purchase transaction in the account of public customer DR without DR's prior knowledge or authorization, the transaction involving the purchase of 70,000 shares of the American Group, Inc. Therefore, Respondent violated NASD Conduct Rule 2110.
8. On April 25, 2002, the Complaint filed a Report on the status of settlement efforts between the Complaint and Respondent, the Respondent memorializing that, as provided in the offer of settlement, Respondent was ordered to be sanctioned with suspension from association with any NASDR member in any capacity for a period of 30 days and with the imposition of a fine in the amount of \$5,000.00. Notice of Respondent's acceptance of the offer of settlement was provided Respondent and Respondent's employer on the same date, Respondent and Respondent's employer receiving, among other documents, photocopies of the Order entered pursuant to the settlement of the allegations as per the Complaint.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department has jurisdiction over the subject matter hereof pursuant to the Act.
2. Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation, or standard duly promulgated by the self-regulatory organization.

Order of Revocation

-3-

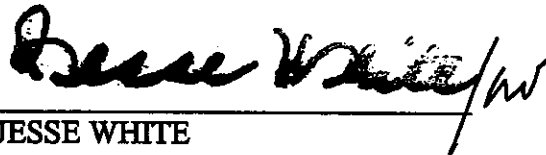
3. Respondent, a registered salesperson of securities in the State of Illinois, has been suspended and fined by NASDR because of fraudulent or deceptive acts or practices Respondent committed in violation of the rules, regulations, or standards promulgated by NASDR. Specifically, NASDR Conduct Rule 2110 is the provision Respondent violated by executing a purchase transaction in a customer's account without the customer's knowledge or authorization. NASDR is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
4. By virtue of the foregoing, Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, the Hearing Officer recommended that the Secretary of State should revoke the Respondent's registration as a salesperson in the State of Illinois, and the Secretary of State adopts in its entirety the Recommendation made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That Richard S. Gregory's registration as a salesperson in the State of Illinois is revoked pursuant to the authority provided under Section 8.E(1)(j) of the Act.
2. That this matter is concluded without further proceedings.

DATED: This 20<sup>th</sup> day of June, 2003.



JESSE WHITE  
Secretary of State  
State of Illinois

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.