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SECURITIES COMMISSIONER



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MEMBER

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JACK D. LADD
MEMBER

SSB Docket No. 02-05

IN THE MATTER OF THE
AGENT REGISTRATION OF
ROBERT GERALD VANWASSEHNOVA

§
§
§

ORDER NO. CAF-1450

TO: Mr. Robert Gerald Vanwassehnova (CRD # 3024198)
Rushmore Securities Corporation
13355 Noel Road, Suite 300
Dallas, Texas 75240

DISCIPLINARY ORDER REPRIMANDING AND FINING AN AGENT

Be it remembered that Robert Gerald Vanwassehnova ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking and the Findings of Fact and 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. 2002) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOVT CODE ANN. § 2001.001 et seq. (Vernon Supp. 2002) ("Administrative Procedure Act").
2. Respondent has been registered with the Securities Commissioner as an agent of Rushmore Securities Corporation ("Rushmore") from on or about July 27, 2001, until the present, restricted to the sale of investment company products (Mutual Funds).
3. Respondent was previously registered with the Securities Commissioner as an agent of H. D. Vest Investment Securities, Inc. ("H. D. Vest") from on or about June 9, 1998, until on or about April 8, 1999, and 1st Global Capital Corp. ("1st Global") from on or about March 25, 1999, until on or about August 1, 2001, also restricted to the sale of investment company products (Mutual Funds).

4. Respondent, while employed with 1st Global, received permission from 1st Global, his dealer, to open several personal securities accounts at another Texas-registered dealer ("Texas-registered dealer"). 1st Global's internal compliance procedures required Respondent to notify 1st Global of any securities account over which Respondent had control at another dealer. Subsequent to receiving approval to open these accounts, Respondent directed a Texas resident to open an internet trading account ("trading account") at this same Texas-registered dealer. Respondent obtained access from this Texas resident to the trading account and traded municipal securities in this trading account on behalf of the account holder. Respondent could not trade this type of security through 1st Global, because Respondent did not complete the appropriate examination to trade this type of security. Respondent received an hourly fee from this Texas client for exercising trades in the trading account. Respondent ceased activity on this trading account in or about October of 2001.
5. Respondent failed to notify either 1st Global or Rushmore that Respondent was engaged in securities activity away from the firms, nor did Respondent receive approval from either to engage in such activity except, as it related to his own personal trading accounts.
6. At all times relevant to this Order, Respondent was not registered with the Securities Commissioner as an investment adviser.
7. Respondent failed to obtain written power of attorney or discretionary trading authorization to trade in the above-trading account. Respondent failed to notify the Texas-registered dealer, where the trading account was being traded, that Respondent was trading in the trading account on behalf of the account holder.
8. On or about November 26, 2001, the Staff of the Texas State Securities Board conducted an inspection of Rushmore's branch office, the location of Respondent. During the course of the inspection, the Staff discovered that Respondent was trading in the above-trading account.
9. Respondent failed to amend his Form U-4 filed with the Securities Commissioner as an agent of 1st Global or Rushmore to disclose this outside business activity within 30 days as required by Section 115.9(a)(6) of the Rules and Regulations of the Texas State Securities Board ("Board Rules") and the Form U-4.
10. Pursuant to Section 101.2(c) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Form U-4, have been adopted as Board Rules.
11. Securities dealers are required to supervise the outside securities activity of its agents to ensure that these activities are in accordance with regulatory requirements. Engaging in securities activities without the approval of an agent's dealer decreases the systematic protections for the investing public.

12. Respondent has cooperated with the Texas State Securities Board in its investigation of this matter.
13. Respondent's unregistered investment adviser activity did not result in a loss to the investor.

UNDERTAKING

1. Respondent hereby undertakes and agrees that Respondent will not engage in any securities activity away from Respondent's dealer without first obtaining written consent from the dealer.
2. Respondent further undertakes and agrees to immediately notify Rushmore and 1st Global of the activity Respondent engaged in while employed by them and to provide any information relating to this trading account required by either dealer.
3. Respondent further undertakes and agrees to immediately obtain a copy of Rushmore's compliance and procedures manual.
4. Respondent further undertakes and agrees that Respondent will maintain a checks received blotter as required by Section 115.5 of the Board Rules.
5. Respondent further undertakes and agrees not to encourage any client to open an account at a dealer, other than the dealer Respondent is a registered agent of. Respondent further undertakes and agrees that Respondent will not exercise control over any account at another dealer without first obtaining written consent of the dealer for whom Respondent is employed.

CONCLUSIONS OF LAW

1. Respondent's activity in the above-trading account falls within the definition of investment adviser as defined by Section 4.N of the Texas Securities Act.
2. Respondent violated Section 12 of the Texas Securities Act by engaging in investment advisory activities without being registered as an investment adviser with the Securities Commissioner.
3. Respondent's failure to notify Respondent's dealers of Respondent's outside business activity, as required by the dealer's compliance procedures, constitutes an inequitable practice in the sale of a security and is a violation of Section 14.A(3) of the Texas Securities Act.
4. Pursuant to Sections 14.A(3) and (6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding an agent.

5. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order assessing an administrative fine against an agent.


ORDER

1. It is therefore ORDERED that Robert Gerald Vanwassehnova is hereby REPRIMANDED.
2. It is further ORDERED that Robert Gerald Vanwassehnova is ASSESSED AN ADMINISTRATIVE FINE in the amount of Two Thousand Five Hundred Dollars (\$2,500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that Robert Gerald Vanwassehnova COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 19th day
of March, 2002.


Denise Voigt Crawford
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:


Robert Gerald Vanwassehnova

Approved as to Form:

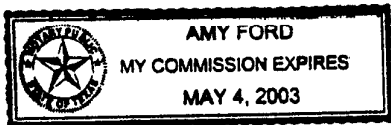

Michael S. Gunst, Director
Inspections and Compliance Division


David Grauer
Director, Enforcement Division

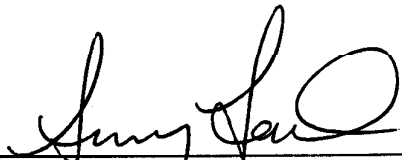
ACKNOWLEDGMENT

On the 11th day of MARCH, 2002, Robert Gerald Vanwassehnova ("Respondent") appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Respondent has read the foregoing Order and Undertaking;
2. Respondent has been fully advised of his 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 Undertaking, 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 his rights as set forth therein.



[affix notary seal here]



Notary Public in and for
the State of TEXAS

My commission expires on: May 4, 2003