

TRAVIS J. ILES  
SECURITIES COMMISSIONER



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## *Texas State Securities Board*

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IN THE MATTER OF THE  
AGENT REGISTRATION  
OF MICHAEL DELAO

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**Order No. IC-23-CAF-04**

TO: Michael Delao (CRD No. 2406749)  
St. Bernard Financial Services, Inc.  
4000 Fountainwood Circle  
Georgetown, TX 78624

### **DISCIPLINARY ORDER**

Be it remembered that Michael Delao ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") the Findings of Fact, the Conclusions of Law, and the Undertaking incorporated by reference 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. Gov't Code §§ 4001.001-4008.105 ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-2001.903.
2. On December 6, 2016, Respondent registered with the Securities Commissioner as an agent of St. Bernard Financial Services, Inc. ("St. Bernard").

### **Relevant Disciplinary History**

1. Respondent previously entered into a Disciplinary Order ("Order") on December 6, 2016 with the Securities Commissioner whereby Respondent paid an administrative fine of Seven Thousand and Five Hundred Dollars (\$7,500.00) and agreed to comply with the terms of an Undertaking whereby Respondent was subject to heightened supervision for a period of two (2) years.

2. The Order found that, while registered as an agent and investment adviser representative with Century Securities Associates, Inc., Respondent failed to report to the Securities Commissioner of two felony charges within thirty (30) days of the indictments as required by §115.9(a)(2) and §116.9(a)(2) of the Rules and Regulations of the Texas State Securities Board (“Board Rules”).

#### **Failure to Report Additional Criminal Charge**

3. Section 115.9(a)(2) of the Board Rules requires that any person registered as an agent shall report to the Securities Commissioner within thirty (30) days after its occurrence any felony criminal action.
4. While registered as an agent of St. Bernard, Respondent was arrested and charged with a felony offense (“Felony Charge”) on March 31, 2019.
5. It was not until a filing on September 27, 2022, that Respondent reported the Felony Charge on his Form U4.
6. Although the Felony Charge was reduced to a Class 1 Misdemeanor on April 14, 2021 and ultimately set aside on June 2, 2021, Respondent marked “No” in response to whether Respondent had “been arrested or convicted of any crime that has not been reported to St. Bernard” on St. Bernard’s annual compliance questionnaires completed between 2019 and 2022.

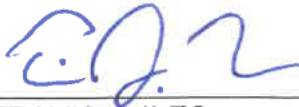
#### CONCLUSIONS OF LAW

1. Respondent’s failure to report to the Securities Commissioner the Felony Charge within thirty (30) days is a violation of Section 115.9(a)(2) of the Board Rules.
2. Pursuant to Section 4007.105(a)(13)(B) of the Texas Securities Act, the aforementioned violation of the Board Rules constitutes a basis for the issuance of an Order suspending Respondent.
3. Pursuant to Section 4007.106(a)(3) of the Texas Securities Act, Respondent’s aforementioned violation of the Board Rules constitutes a basis for the assessment of an administrative fine against Respondent.

#### ORDER

1. It is therefore ORDERED that Michael Delao is hereby SUSPENDED for a period of ninety (90) days from the date this Order is entered by the Securities Commissioner.
2. It is further ORDERED that Michael Delao shall pay an ADMINISTRATIVE FINE in the amount of five thousand dollars (\$5,000.00). Payment shall be made by delivery of cashier’s check to the Securities Commissioner in the amount of five thousand dollars (\$5,000.00), payable to the State of Texas.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 5<sup>th</sup> day of  
September, 2023.



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TRAVIS J. ILES  
Securities Commissioner



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Michael Delao  
Individually

Approved as to Form:



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Clinton Edgar,  
Deputy Securities Commissioner



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Nadda Runguangphol,  
Attorney  
Registration Division