

JOHN MORGAN
SECURITIES COMMISSIONER



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DEPUTY SECURITIES COMMISSIONER

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MIGUEL ROMANO, JR.
MEMBER

IN THE MATTER OF
THE INVESTMENT ADVISER
REPRESENTATIVE REGISTRATION
OF KERMIT GORDON GABLE JR

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Order No. REG17-SUS-03

TO: Kermit Gordon Gable, Jr (CRD No. 2202745)
Fidelis FS, LLC
1901 W Arbrook Blvd., #359
Arlington, TX 76015

DISCIPLINARY ORDER

Be it remembered that Kermit Gordon Gable, Jr ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and Undertaking and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's rights to notice and hearing in this matter; (b) Respondent's rights to appear and present evidence in this matter; (c) Respondent's rights to appeal this Order; and (d) all other procedural rights granted to the Respondent by The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-44 (West 2010 & Supp. 2016)("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2016)("Administrative Procedure Act").
2. From February 16, 2012 through December 1, 2016, Respondent Gable was registered with the Securities Commissioner as an agent of Cambridge Investment Research, Inc. ("Cambridge") and as an investment adviser representative of Cambridge Research Advisors, Inc. ("Cambridge Advisors").
3. On December 22, 2016, Respondent Gable applied for registration with the Securities Commissioner as an investment adviser representative of Fidelis FS, LLC. This registration is currently deficient pending firm approval.

Termination Disclosure

4. On November 29, 2016, Respondent was permitted to resign from Cambridge and Cambridge Advisors.
5. On December 1, 2016, Cambridge filed a Form U5 for Respondent that included a Termination DRP that appeared on Respondent's CRD record.
6. The Termination Disclosure indicates that Respondent was permitted to resign due to improper trading in client advisory accounts.

Participation in Block Trading

7. In connection with providing investment advisory services to clients of Cambridge Advisors and Respondent, Respondent entered buy and sell orders of securities in a block trading account.
8. A block trading account allows investment advisers to place an aggregate order of securities for multiple clients as one transaction. Once the block trade is filled, the adviser must allocate the trades to the individual accounts that participated in the block trade.
9. During the relevant time-period reviewed by the staff of the Texas State Securities Board, Respondent entered a significant number of trades in the block trading account as part of an active trading strategy. Certain of these trades were allocated to two (2) client accounts. However, Respondent also allocated trades to his own account.
10. The trade allocations were not evenly distributed to the accounts of the clients and the account of Respondent. For example:
 - a. Respondent allocated certain trades only to the accounts of the clients, but not to the account of Respondent;
 - b. Respondent allocated certain trades to the account of only one client and the account of Respondent; and
 - c. Respondent allocated certain trades to only his account.
11. In recognition of the conflicts of interest created by investment adviser representatives participating in block trades along with clients, Cambridge Advisor's ADV Part 2A states that investment adviser representatives that choose to participate in block trades must do so in accordance with certain specific parameters.
12. These requirements include the preparation of a written statement prior to entering the block trade that specifies the participating client accounts and how the adviser intends to allocate the order among the clients.

13. Respondent did not prepare a written statement identifying the accounts that would participate in each trade prior to entering the trade in the block trading account.

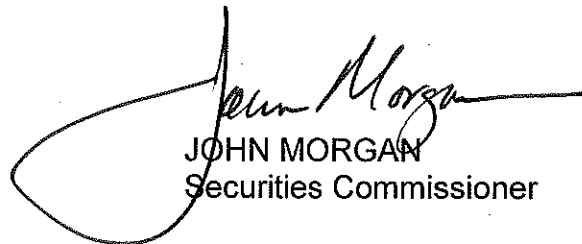
CONCLUSIONS OF LAW

1. Respondent's failures to comply with the requirements identified by Cambridge Advisors in its ADV Part 2A with respect to Respondent's participation along with clients in the block trading account constitute inequitable practices in rendering services as an investment adviser representative.
2. Pursuant to Section 14.A(3) of the Texas Securities Act, Respondent's aforementioned inequitable practices in rendering services as an investment adviser representative constitute bases for the issuance of an order suspending Respondent.

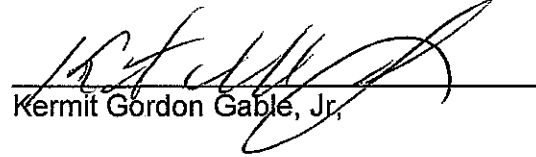
ORDER

1. It is therefore ORDERED that the registration of Kermit Gordon Gable, Jr as an investment adviser representative of Fidelis FS, LLC is hereby GRANTED.
2. It is further ORDERED that the investment adviser representative registration of Kermit Gordon Gable, Jr is hereby SUSPENDED for a period of one hundred and fifty (150) days from the date this Order is entered by the Securities Commissioner.


SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 10th day of April, 2017.


JOHN MORGAN
Securities Commissioner

Respondent:


Kermit Gordon Gable, Jr.

Approved as to Form:


Clinton T. Edgar
Director
Registration Division

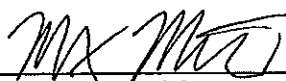

Callie Hester
Attorney
Inspections & Compliance Division

ACKNOWLEDGMENT

On the 10th day of April, 2017, Kermit Gordon Gable, Jr ("Respondent") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Respondent has read the foregoing Order;
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 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 WITHEU SARME
FORCES
CA MPARIFJAN. KUWAIT
My commission expires on: _____
Indefinite per 10 USC 1044a

