

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 53555 / March 27, 2006

INVESTMENT ADVISERS ACT OF 1940

Release No. 2502 / March 27, 2006

ADMINISTRATIVE PROCEEDING

File No. 3-12248

In the Matter of

JAMES R. DICKEY,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against James R. Dickey (“Dickey” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Dickey, age 39, resides in Flower Mound, Texas. Dickey was associated with Integral Investment Management, LP ("Integral"), an unregistered investment adviser and the general partner of three hedge funds, Integral Hedging, LP, Integral Arbitrage, LP, and Integral Equity, LP (collectively, the "Funds"). Dickey was also the president of Integral Management, LLC, the general partner of Integral, and was acting as an unregistered broker-dealer during the relevant period.

2. On March 6, 2006, a final judgment was entered by consent against Dickey, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Conrad P. Seghers and James R. Dickey, Civil Action Number 3:04CV-1320-K, in the United States District Court for the Northern District of Texas.

3. The Commission's complaint alleged that between June 2000 and September 2001 Integral fraudulently caused the Funds to overstate to investors the value of their investments in the Funds by anywhere from 13% to 77% and thereby misrepresented the Funds' rates of returns. Dickey, who marketed the Funds, knew, or was reckless in not knowing, that the Funds' investors received monthly and quarterly account statements that materially overstated the value of their holdings. In addition, Dickey sold interests in the Funds through offering documents and marketing materials that misrepresented that the Funds had prime brokers when they did not. The complaint also alleged that Dickey offered and sold unregistered securities and was an unregistered broker-dealer.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Dickey's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Dickey be, and hereby is barred **from** association with any broker, dealer, or investment adviser, with the right to reapply for association after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission;

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disjointment ordered against the Respondent, whether or not the Commission has fully or partially

waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris
Secretary