



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
DOUGLAS W. COE,)	
CRD No. 2208877)	
)	
<i>Respondent.</i>)	Case No. AP-15-30
)	
Serve:)	
Douglas W. Coe)	
Moody Reid Financial Advisors)	
435 Nichols Road, Ste. 200)	
Kansas City, Missouri 64112)	

CONSENT ORDER

SUMMARY OF THE SECURITIES DIVISION’S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Enforcement Counsel Tyler B. McCormick, has alleged that Douglas W. Coe (“Coe” or “Respondent”) violated Section 409.4-412, RSMo. (Cum. Supp. 2013)¹ by failing to timely amend Form U-4 to disclose state and federal tax liens.
2. Respondent and the Division desire to settle the allegations and the matters raised by the Division relating to the Respondent’s alleged violations.

CONSENT TO JURISDICTION

3. Respondent and the Division stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives Respondent’s rights to a hearing with respect to this matter.
6. Respondent waives any rights that Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Division that, should the facts contained herein prove to be false or incomplete, the Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent admits the allegations made by the Division and consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER’S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. Coe, Central Registered Depository (“CRD”) number 2208877, is Missouri-registered investment adviser representative with Moody Reid Financial Advisors, L.P. (“Moody Reid”), CRD number 119205. Coe is the managing director of Moody Reid.

13. On November 1, 2002, Coe submitted a Uniform Application for Securities Industry Registration or Transfer (“Form U-4”) to the CRD seeking to register as an investment adviser representative in Missouri with Moody Reid.
14. Coe filed amendments to Form U-4 on April 1, 2004; April 20, 2006; April 27, 2007; and April 3, 2015.
15. Disclosure Question 14M of Form U-4 reads: “Do you have any unsatisfied judgments or liens against you?”
16. Pursuant to 15 CSR 30-51.160(3)(A), a “correcting amendment shall be filed with the division at the time of occurrence or discovery of these changes, and not later than thirty (30) days following the specified event or occurrence.”
17. A review of Coe’s record with the CRD System revealed that Coe failed to timely report numerous liens on his Form U-4. Between June 2008 and December 2009, seven state and federal tax liens were filed against Coe, as reflected below:

Filing Date	Event	Lien Holder	Amount
6/16/08	Federal tax lien	IRS	\$133,723.83
6/23/08	Federal tax lien	IRS	\$50,397.49
7/23/08	Federal tax lien	IRS	\$22,869.00
8/8/08	Federal tax lien	IRS	\$72,328.78
10/16/08	State tax lien	Missouri	\$123,514
4/8/09	Federal tax lien	IRS	\$19,837.70
12/8/09	Federal tax lien	IRS	\$8,246.50
12/11/09	Federal tax lien	IRS	\$68,968.98

18. Coe should have updated his response to Question 14M of Form U-4 within thirty days of receiving notice of the filing of each of the above-referenced liens; however, he failed to do so. Coe’s Form U-4 was not updated to reflect these liens until on or about August 26, 2015.

II. CONCLUSIONS OF LAW

19. The Commissioner finds Respondent failed to timely amend Form U-4 to disclose state and federal tax liens and that this conduct constitutes grounds to discipline Respondent pursuant to Section 409.4-412.
20. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Division, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409, RSMo.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent is **SUSPENDED** effective immediately from registration as an investment adviser representative and from association or employment with any investment adviser in the State of Missouri for a period of 60 days;
2. Respondent is ordered to pay \$7,500 to the Investor Education and Protection Fund for violations of the Missouri Securities Act. Such payment shall be sent within 30 days of the effective date of this Consent Order to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund; and
3. Respondent shall pay his own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 31st DAY OF August, 2015.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

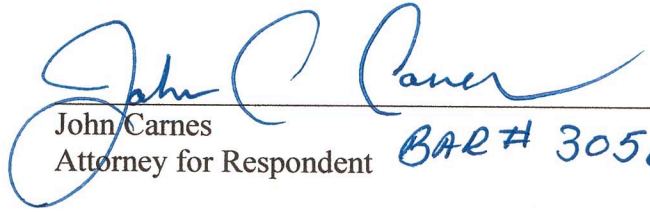
Tyler B. McCormick

Tyler B. McCormick
Enforcement Counsel

RESPONDENT

Douglas W. Coe

Approved as to Form:


John Carnes
Attorney for Respondent *BAR# 30560*

Nikki Comer

