

State of Missouri
Office of Secretary of State

Case No. AP-11-19

IN THE MATTER OF:

MFA INCORPORATED
201 Ray Young Drive
Columbia, MO 65201

Respondent.

Serve MFA Incorporated at:
201 Ray Young Drive
Columbia, MO 65201

Consent Order

SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS

1. The Registration Section of the Missouri Securities Division ("Registration Section") has alleged that MFA Incorporated ("Respondent") employed or associated with unregistered agents in the State of Missouri in violation of Sections 409.4-402, RSMo. (Cum. Supp. 2009).
2. Respondent and the Registration Section desire to settle the allegations and the matters raised by the Registration Section relating to the Respondent's alleged activities.

CONSENT TO JURISDICTION

3. Respondent and the Registration Section stipulate and agree that the Commissioner has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, et seq.
4. Respondent and the Registration Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2009), which provides:

"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 its right to a hearing with respect to this matter.
6. Respondent waives any right that it 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 of Securities, 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 Registration Section that, should the facts contained herein prove to be false or incomplete, the Registration Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Registration Section stipulate and agree to the issuance of this 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 position in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities 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 neither admits nor denies the allegations made by the Registration Section, but 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 Order.

COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF

LAW, AND ORDER

STIPULATIONS OF FACT

12. Respondent is a Missouri registered issuer with an office address at 201 Ray Young Drive, Columbia, Missouri 65201.
13. From June 2010 through January 2011, Respondent employed five (5) unregistered and non-exempt agents. All of the agents had taken and passed the Series 63 examination, but the Respondent inadvertently failed to file Form U-4s for the agents, so they were not properly licensed in the State of Missouri. When the error was discovered, the Respondent promptly filed Form U-4s for the agents.
14. These unregistered agents sold securities in the State of Missouri and earned \$73,424.62 in commissions during the above mentioned time-period.

CONCLUSIONS OF LAW

15. The Commissioner finds Respondent employed unregistered and non-exempt agents who sold securities and earned commissions, and that this conduct constitutes a violation of section 409.4-402(d), RSMo. (Cum. Supp. 2009).
16. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Registration Section, finds and concludes that the Commissioner has jurisdiction over Respondent and 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. (Cum. Supp. 2009).

Order

NOW, THEREFORE, it is hereby ordered that:

1. Respondent shall pay an aggregate civil penalty of five thousand dollars (\$5,000.00). This payment shall be sent within ten (10) 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 State of Missouri. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri; and
2. Respondent shall pay their 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 24TH DAY OF MARCH, 2011.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)

MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

Katie D. Whitman
Chief Registration Counsel

Vicki R. Westerhaus
Attorney for MFA Incorporated