



**STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE**

IN THE MATTER OF:

NATIONAL SECURITIES CORPORATION )  
1001 Fourth Avenue, Suite 2200 )  
Seattle, Washington 98154-1100, )  
)  
)  
Respondent. )

Case No. AP-04-11

**CONSENT ORDER**

1. The Missouri Securities Division alleges that National Securities Corporation failed to supervise its registered agent Douglas Allan Siebert in violation of §409.4-412(d)(6) of the Missouri Securities Act of 2003, H.B. 380, 92nd General Assem., 1st Reg. Sess. (Mo. 2003) (hereafter "2003 Act") by allowing Siebert to maintain incomplete or blank signed securities-related business forms and documents in violation of the record keeping requirements under §409.4-411(c)(1) of the 2003 Act. In addition, the firm could not reasonably supervise the suitability of Siebert's recommendations when new account forms had no financial information in violation of 15 CSR 30-51.170 (E).
2. National Securities Corporation desires to settle the allegations and the matters raised by the staff of the Securities Division relating to National Securities Corporation's violation of Missouri Securities Laws.
3. National Securities Corporation and the Securities Division consent to the issuance of the Consent Order.
4. National Securities Corporation stipulates and agrees 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.
5. National Securities Corporation waives its right to a hearing with respect to this matter.

6. National Securities Corporation stipulates and agrees that it waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Further, National Securities Corporation 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. National Securities Corporation stipulates and agrees that, should the facts contained herein prove to be false or incomplete, the Missouri Division of Securities preserves the right to pursue any and all legal or administrative remedies at its disposal.

#### **STIPULATIONS OF FACT**

8. National Securities Corporation is a Missouri-registered broker-dealer firm and has a business address of 1001 Fourth Avenue, Suite 2200, Seattle, Washington 98154-1100.
9. Douglas Allan Siebert was a Missouri-registered securities agent of National Securities Corporation during the period July 2, 1991 through January 14, 2004 and has a residence address of 7935 South Rock Hill, Affton, Missouri 63123.
10. Douglas Allan Siebert worked in the National Securities Corporation branch office at 16100 Chesterfield Parkway, Chesterfield, Missouri 63017 until June of 2003 when Siebert relocated to an office at 1714 Deer Tracks Trail, Suite 215, St. Louis, Missouri 63131.
11. On April 15, 2002, representatives from the Securities Division conducted an unannounced review of required books and records of the National Securities Corporation branch office at 16100 Chesterfield Parkway, Chesterfield, Missouri 63017.
12. A random review of client files, revealed numerous blank forms that were incomplete or void of pertinent personal and financial information about the client, but had been signed by clients at the request of Siebert.
13. On May 10, 2002, a certified letter from the Securities Division was sent to National Securities Corporation regarding various concerns and compliance deficiencies including, but not limited to, the identification of numerous blank signed forms found in the client files.

14. The letter dated May 10, 2002 was directed to National Securities Corporation Compliance Director Janice Greene, and stated, in part, "Blank signed forms should not be maintained for any client . . . This practice must cease immediately and all such forms currently in any client file should be either returned to the client or destroyed."
15. In a letter to the Securities Division dated May 31, 2002, Janice Greene addressed the issue of blank signed forms by stating, in part, "during our firm's upcoming internal branch audit we will conduct a random spot check of [Mr. Siebert's files.] Such action will be part of our zero-tolerance policy for the branch in regards to this issue."
16. On December 12, 2003, examiners from the Securities Division conducted an unannounced follow-up examination of client files at the above-referenced branch office at 16100 Chesterfield Parkway, Chesterfield, Missouri.
17. The examiners conducted a random review of client files and found, among other things, seven (7) blank forms, each bearing the signature of a client. Four of those forms were National Securities Corporation new account forms, and three were beneficiary change forms.
18. Registered agent Douglas A. Siebert had acquired the signatures on the blank forms during a meeting with two of his clients on Monday, October 28, 2002, approximately six months after National Securities Corporation had given written assurance to the Securities Division that such activity would no longer be tolerated.
19. On December 22, 2003, representatives from the Securities Division conducted an unannounced examination of required books and records at the National Securities Corporation branch office at 1714 Deer Tracks Trail in St. Louis.
20. In a random review of client files, examiners found six (6) blank signed forms. Of those forms, two were National Securities Corporation new account forms, two were investment applications, one was an account transfer form, and one was a taxpayer identification form.
21. Douglas A. Siebert had acquired the signatures on incomplete or blank forms in September and November of 2003 after National Securities Corporation had given written assurances to the Securities Division that such activity would no longer be tolerated.

22. On January 15, 2004, National Securities Corporation filed a Uniform Termination Notice for Securities Industry Registration (Form U-5) for Douglas Allan Siebert with the Central Registration Depository ("CRD") indicating that Siebert was permitted to resign as a registered agent of the firm for having acquired and maintained client-signed blank or incomplete securities-related account documents.

### **JURISDICTIONAL BASIS**

23. National Securities Corporation and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to the 2003 Act, Chapter 409, et al.
23. National Securities Corporation and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to §409.6-604(h), of the 2003 Act, which provides that the commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

### **ORDER**

**WHEREAS**, the Commissioner, after consideration of the stipulation set forth above and on consent of National Securities Corporation and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of the 2003 Act.

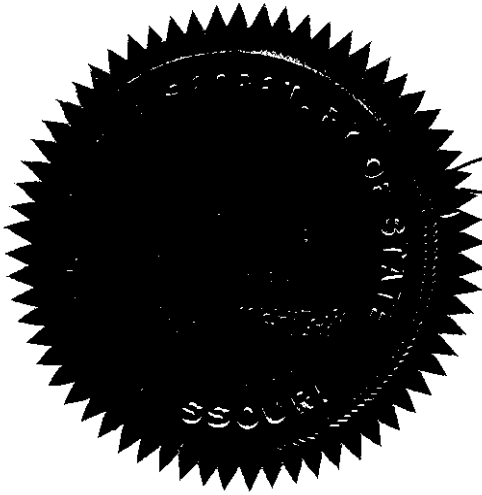
**NOW, THEREFORE**, it is hereby Ordered that:

1. National Securities Corporation is prohibited from allowing its agents to maintain incomplete or blank securities-related business forms signed by clients or potential clients in violation of the record keeping requirements under §409.4-411(c)(1) of the 2003 Act.
2. Within 15 days of the effective date of this order, National Securities Corporation will send written notification to all Missouri-registered agents of the firm that the practice of maintaining incomplete or blank signed forms is to cease immediately and all such forms currently in the possession of Missouri-registered agents must be destroyed. Within 30 days of the effective date of this Order, National Securities Corporation will provide a copy of this written notification to the Securities Division and the names and CRD numbers of the agents who received this notification.

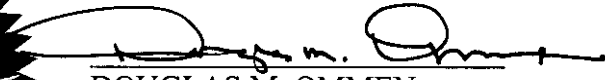
3. National Securities Corporation shall pay its own costs and attorneys fees with respect to this matter.
4. National Securities Corporation shall pay \$13,000 to the Missouri Secretary of State's Investor Education and Protection Fund. Such amount shall be immediately due and payable.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 29<sup>th</sup> DAY OF January, 2004.

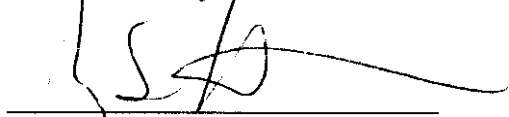


MATT BLUNT  
SECRETARY OF STATE



DOUGLAS M. OMMEN  
COMMISSIONER OF SECURITIES

Consented to by:



Mary S. Hosmer  
Assistant Commissioner for Enforcement  
Missouri Division of Securities

National Securities Corporation

By: 