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MAY 19 2004  
SECURITIES DIVISION

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

**IN THE MATTER OF:**

**PAUL MICHAEL HULEN,**

**Respondent.**

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**Case No. AP-04-47**

**CONSENT ORDER**

WHEREAS, on May 19, 2004, the Missouri Securities Division filed the instant Petition for Order of Suspension of Agent Registration or Censure of Agent ("Petition") against Respondent Paul M. Hulen ("Respondent");

WHEREAS, Respondent and the Securities Division wish to resolve and settle all claims and complaints between them in recognition of the expense and uncertainty of further litigation, but without any admission of wrongdoing or liability on any parties' behalf, acknowledging that this Consent Judgment is the full and complete resolution of all matters, claims, disputes or complaints between them regarding the subject matter of the Petition;

WHEREAS, Respondent and the Securities Division consent to the issuance of this Consent Order and hereby stipulate that this Consent Order is in the public interest; and

WHEREAS, Respondent 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. Respondent specifically waives his right to a hearing with respect to the issues raised in the Petition. Respondent further stipulates and agrees that he hereby waives any rights he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order.

**STIPULATIONS OF FACT**

WHEREAS, Respondent and the Securities Division hereby stipulate and agree to the following Stipulations of Fact:

1. Respondent has been registered as a securities agent in Missouri since June 30, 1992. Respondent is also registered with the NASD under CRD no. 2237101.
2. At all relevant times herein, Respondent operated an Edward Jones' branch office located at 9836 Clayton Road, Ladue, Missouri.
3. In December of 1999, an Illinois Resident ("IR") contacted Respondent about establishing an Edward Jones' account through Respondent.
4. Sometime in December of 1999, IR's cousin contacted Respondent and requested that Respondent present IR with a portfolio consisting of bonds.

5. On or about December 30, 1999, IR met with Respondent and informed him that she wanted to invest \$100,000 in her Edward Jones' account and that she wanted to withdraw \$400 to \$500 a month from her investments.
6. There is a factual dispute as to whether Respondent presented IR with two portfolios at their meeting on or about December 30, 1999; one consisting of bonds and short-term certificates of deposit and the other consisting of growth & income, growth and aggressive-oriented mutual funds. Respondent contends that two such portfolios were presented. IR contends only the mutual fund portfolio was presented.
7. IR ultimately opened an individual Edward Jones' account with Respondent. Respondent indicated on the account opening documents that IR's investment objectives were "growth & income, and growth." IR received a letter from Edward Jones confirming these investment objectives.
8. On or about December 30, 1999, IR invested: **(a)** \$20,000 in the Goldman Sachs Core Large Cap Growth fund; **(b)** \$20,000 in the Goldman Sachs Growth and Income fund; **(c)** \$30,000 in the Goldman Sachs Trust Capital Growth Portfolio fund; **(d)** \$20,000 in the Goldman Sachs Trust Growth Opportunities fund; and **(e)** \$10,000 in the Goldman Sachs Trust International Equity fund.
9. On or about June 3, 2000, Respondent updated the investment objectives coded on IR's account to "growth & income, growth, and aggressive."
10. On or about January 20, 2004, a check of the CRD by the Securities Division staff members revealed a complaint against Respondent regarding investment recommendations to an Illinois resident.
11. On or about March 3, 2004, the Securities Division requested a written response from Edward Jones and Respondent concerning Respondent's investment recommendations to IR.
12. In a letter dated March 10, 2004, Respondent provided a written response that stated, among other things:
  - a. "[IR's cousin] gave me strict instructions to invest [IR] into bonds...However, my obligation is to the client not the person referring the client;"
  - b. "I explained that we will have down years that we will have to wait out but on average the stock market has been a good place to put money...;" and
  - c. "...I proceeded to explain some differences between [IR] and [her cousin]. One of which is that [IR's cousin] is 17 years older and really has very little concern for inflation. I explained by the time [IR] reached [her cousin's] age in 20ish years the cost of living at 3% inflation will have almost doubled..."

## JURISDICTIONAL BASIS

13. Respondent and the Securities Division stipulate and agree that the Commissioner of Securities has jurisdiction over the Petition pursuant to the Missouri Securities Act, R.S.Mo. Chapter 409, et al.
14. Respondent and the Securities Division hereby stipulate and agree that the Commissioner of Securities has authority to enter into this Consent Order pursuant to R.S.Mo. § 409.6-604.

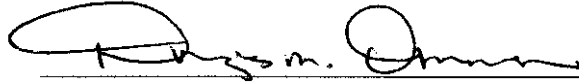
## ORDER

NOW, THEREFORE, it is hereby Ordered that:

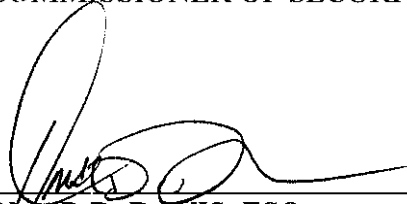
15. Within sixty (60) days of this Consent Order, Respondent shall: **(a)** review the accounts of Respondent's current customers who are either over the age of sixty-five (65) and/or retired; and **(b)** update the investment objectives on the Customer Account Information for those customers, when appropriate.
16. Within sixty (60) days of this Consent Order, Respondent shall distribute a Customer Account Profile to each of his current customers that are over the age of sixty-five (65) and/or retired. The Customer Account Profile shall request that the customers verify the accuracy of their account information and enable the customers to change and/or amend their investment objectives and/or other information.
17. Within sixty (60) days of this Consent Order, Respondent shall distribute a letter to each of his customers that are over the age of sixty-five (65) and/or retired containing an explanation of the following investment objectives: "Balanced," "Income," "Growth & Income," "Growth," and "Aggressive." This letter shall also contain a general disclosure concerning the risks associated with each such investment objective.
18. The letters described in paragraphs 16 and 17 above may be delivered together in one envelope but shall be delivered to the aforementioned customers independent of any other correspondence from Respondent and/or Edward Jones.
19. Respondent will 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 4<sup>th</sup> DAY OF October, 2004.



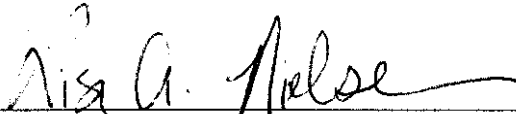
DOUGLAS M. OMMEN  
COMMISSIONER OF SECURITIES



OMAR D. DAVIS, ESQ.  
SECURITIES ENFORCEMENT COUNSEL



RESPONDENT PAUL M. HULEN



LISA A. NIELSEN, ESQ.  
ATTORNEY FOR RESPONDENT PAUL M. HULEN