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-SDS Securities

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STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

PHILLIP BEHNEN
322 Sunway Lane
Town and Country, Missouri 63141,

Respondent.

)
) Case No. AP-04-62
)
)
)

CONSENT ORDER

1. The Missouri Securities Division alleges that Phillip Behnen ("Behnen") failed to reasonably supervise an agent under his supervision and that this constitutes grounds to discipline his registration pursuant to Section 409.4-412(d)(9), RSMo Cumulative Supp. 2003.
2. Behnen desires to settle the allegations and the matters raised by the staff of the Securities Division relating to his violation of Missouri Securities Laws.
3. Behnen and the Securities Division consent to the issuance of the Consent Order.
4. Behnen 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, however, this stipulation is entered without prejudice to Behnen's right to sue his former employer.
5. Behnen waives his right to a hearing with respect to this matter.
6. Behnen stipulates and agrees that he waives any rights that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Further, Behnen 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.

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Behnen 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

Behnen is a Missouri resident whose address is 322 Sunway Lane, Town and Country, Missouri 63141.

Behnen was most recently registered as an agent with A.G. Edwards & Sons, Inc. ("A.G. Edwards") during the period October 2, 1998 through March 4, 2004.

On March 4, 2004, A.G. Edwards submitted a Form U5 (Uniform Termination Notice for Securities Industry Registration) to the Central Registration Depository System ("CRD") indicating Behnen was discharged for "violation of firm policy regarding the receipt of commissions by a corporate officer."

The Securities Division requested additional documentation relating to Behnen's discharge from A.G. Edwards.

In response to the Division's request Behnen claimed, among other things, that:

- a. In March of 2002, Behnen was given a promotion;
- b. After receipt of the first paycheck, Behne questioned his supervisor on why commissions were not included;
- c. Behnen was initially told by his supervisor that he was no longer eligible to receive commissions;
- d. Behnen's supervisor suggested that Behnen "run his entire book of business" through another agent with the firm and receive commissions from that agent;
- e. From June 2002 through February 2004, Behnen transferred his business to other agents and received commissions through these agents from checks written on their personal accounts. One of these agents was under Behnen's supervision.

JURISDICTIONAL BASIS

Behnen and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to the 2003 Act, Chapter 409, et al.

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Behnen and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.6-604(h), RSMo Cumulative Supp. 2003, 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 Phillip Behnen 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.

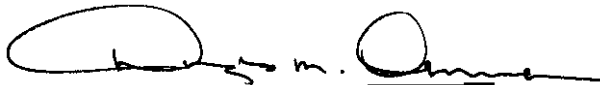
NOW, THEREFORE, it is hereby Ordered that:

- 1. Behnen will read and comply with the supervisory and compliance policies and procedures set forth by his employing broker-dealer.
- 2. Behnen will not act in a supervisory capacity at any broker-dealer for a period of one year from the date of this order.
- 3. Behnen shall pay his own costs and attorneys fees with respect to this matter.
- 4. Behnen shall pay \$5,000 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 29th DAY OF June, 2004.

MATT BLUNT
SECRETARY OF STATE



DOUGLAS M. OMMEN
COMMISSIONER OF SECURITIES



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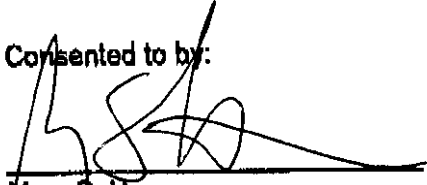
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Consented to by:



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



Phillip Belnen