



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
OAKBRIDGE FINANCIAL SERVICES, INC.,)
CRD No. 16323; PRIVATE LABEL MONEY)
MANAGEMENT, INC., CRD No. 154952;) Case No. AP-16-11
STEVEN LARSON, CRD No. 2422755;)
MICHAEL STANDLEY, CRD No. 2422939;)
and KATHRYN WINTER, CRD No. 4523089,)
)
Respondent.)

CONSENT ORDER AS TO RESPONDENT STEVEN LARSON

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”) alleges that Respondent Steven Larson (“Larson” or “Respondent”) failed to reasonably supervise an agent who violated the Missouri Securities Act, and that this constitutes grounds to discipline Larson in Missouri pursuant to Sections 409.4-412(d)(9), RSMo. 2016¹; engaged in dishonest and unethical conduct in the securities business by over-concentrating reverse convertibles in clients’ accounts in violation of Section 409.4-412(13); and engaged in fraudulent activity in connection with providing investment advice by disseminating fraudulent and/or misleading statements to customers with regard to church bond values in violation of Section 409.5-502. These violations constitute grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the alleged violations by Larson.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the 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 Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo., which provides:

¹ Unless otherwise noted, all statutory references are to the 2016 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 right to a hearing with respect to this matter.
6. Respondent waives any right 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 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 Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement 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 Enforcement Section 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 position in connection with litigation, arbitration, or other legal proceeding 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 because the parties have reached a good faith settlement.
11. Respondent consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below for the purpose 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. Oakbridge Financial Services, Inc. (“Oakbridge”), formerly known as Forsyth Securities,

Inc., (“Forsyth”) was a Missouri-registered broker-dealer with a main address of 910 South Kirkwood Road, Suite 190, Kirkwood, Missouri 63122. Oakbridge was registered in Missouri through the Central Registration Depository (“CRD”) with number 16323. Oakbridge’s registration was terminated in Missouri on or about August 10, 2016.

13. Private Label Money Management, Inc., (“PLMM”), CRD number 154952, was a Missouri-registered investment adviser with a main address of 910 South Kirkwood Road, Suite 190, Kirkwood, Missouri 63122. PLMM has been registered in Missouri as an investment adviser since January 13, 2011, and registered in Minnesota as an investment adviser since December 14, 2010. PLMM’s registration in Missouri requested of its termination on or about December 31, 2016.
14. Larson, CRD number 2422755, has been registered as a broker-dealer agent with Oakbridge in Minnesota since October 4, 2011. Larson became a Missouri-registered broker-dealer agent with Oakbridge on February 20, 2012. Larson served as President, owner, and control person of PLMM from December 14, 2010 until June 19, 2012, when he was then removed as President and designated as CCO. Larson’s current address is listed in CRD as 5843 Nashway Rd., Nisswa, Minnesota 56468. Larson served as CEO and CCO of Oakbridge from late 2011 until approximately October, 2015. Larson, by position and his own admission, was a control person at both Oakbridge and PLMM throughout their existence.
15. Missouri-registered agent Robert Stack Beyer, II (“Beyer”) was subject to Larson’s supervision and engaged in violations of the Missouri Securities Act. These violations included, among other things, the following:
 - a. Beyer offered and sold unregistered, non-exempt securities in violation of Section 409.3-301; and
 - b. engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit in violation of Section 409.5-501 with his outside business activity, Heroic Life Assurance, Company, LLC.²
16. Respondent failed to reasonably supervise Beyer by, among other things, failing to have reasonable policies and procedures and failing to reasonably implement policies and procedures, including:
 - a. failing to conduct a background check of current agents at Oakbridge, specifically Beyer, when Forsyth was purchased from the previous owner or the second time that Beyer was hired to work at Oakbridge and PLMM;
 - b. failing to inquire as to Beyer’s insurance commissions or other sources of income; and

² See AP-15-20, *In re Robert Stack Beyer II, and The Heroic Life Assurance Company, LLC*.

- c. failing to request that Beyer provide documentation pertaining to his outside business activity.
17. Respondent engaged in dishonest and unethical conduct in the securities business by over-concentrating reverse convertible securities in clients' accounts.
 18. Reverse convertibles securities ("Recons") are complex, structured products that contain a put option held by the issuer that triggers if the underlying equity falls below a certain barrier price and stays there at the end of the term. When the equity price triggers the put option, the investor gets a certain number of shares of the equity at the "strike price". Whether or not the barrier price is breached, the investor gets income during the term of the Recon at an above market interest rate. The interest rate is a function of the volatility of the underlying equity. The higher the volatility and closer the barrier price to current price, the higher the interest rate. Recons are sold in \$1,000 increments.
 19. Recon "placement fees" represented approximately \$7,500 per month in revenue for Oakbridge, which represented a material amount of monthly revenue for the firm.
 20. As a result of Oakbridge and Larson's Recon sales practices and need to generate revenue, several investors ended up, at certain times, with unsuitably large concentrations of Recons in their accounts at Oakbridge. Concentrations of Recons in client accounts varied from as low as 26% to as much as 88%, the latter of which was found in the account of an 83 year-old investor with an investment goal of Balanced/Conservative Growth.

Name	Date of Birth	Asset Allocation
Minnesota Resident 1 ("MNR1")	April 25, 1951	75%
Minnesota Resident 2 ("MNR2")	August 19, 1951	72%
Virginia Resident 1 ("VR1")	March 29, 1965	65%
Minnesota Resident 3 ("MNR3")	January 1, 1932	88%
Minnesota Resident 4 ("MNR4")	October 31, 1941	26%
Minnesota Resident 5 ("MNR5")	April 24, 1931	41%

21. Larson engaged in fraudulent activity in connection with disseminating fraudulent and misleading updates and statements to customers with regard to church bond securities values in violation of Section 409.5-502. Larson prepared and disseminated these statements to customers. These statements were materially misleading, unclear, and inaccurate. They represented substantial church bond values and that those values were taken from the RBC statements. The RBC statements reflected the value of the church bonds at 0. Further, the statements led to the misconception that the firm verified all of the data, specifically the valuations. Per the information from the trustee of the church bond securities, those valuations were wholly false. Moreover, the statements lacked any disclosure that the information provided for the assets was unverified and any disclosure

that the person(s) preparing the documents lacked the financial expertise to do so.

II. CONCLUSIONS OF LAW

22. The Commissioner finds that Respondent failed to reasonably supervise an agent who violated the Missouri Securities Act in violation of Section 409.4-412(d)(9); engaged in dishonest and unethical conduct in the securities business by over concentrating reverse convertible securities in clients' accounts in violation of Section 409.412(d)(13); and engaged in fraudulent activity in connection with providing investment advice by disseminating fraudulent and/or misleading statements to customers with regard to church bond securities values in violation of Section 409.5-502. This conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
23. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that: (a) 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.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

24. Respondent, his agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from engaging in violations of Section 409.4-412 and 409.5-502.
25. Respondent is permanently enjoined and restrained from offering and selling any securities in the state of Missouri.
26. Respondent Larson is hereby permanently BARRED from registering as an investment adviser, investment adviser representative, broker-dealer, or agent in the state of Missouri.
27. Respondent shall pay \$24,000 in restitution. This amount shall be paid in monthly installments of \$200 for a period of 120 months (10 years). The first payment will be due on June 1, 2018, and each payment after will be due on the first of each month. The payment shall be made payable to the Missouri Secretary of State's Investor Restitution Fund and sent to the Securities Division at 600 West Main Street, Jefferson City, Missouri 65101. The Commissioner will take reasonable and necessary actions to distribute such funds to the investors. All pending payments shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction that Respondent has violated the

Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law

28. Respondent shall pay \$100,000 to the Missouri Secretary of State's Investor Education and Protection Fund. This payment shall be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act. This suspended amount shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding after notice and opportunity for a hearing, by the Commissioner or court of competent jurisdiction, that Respondent violated the Missouri Securities Act. Such immediately due payments shall be in addition to other penalties then available under the law. This payment shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and shall be sent to the Securities Division at 600 West Main Street, PO Box 1276, Jefferson City, Missouri 65101.
29. Respondent shall pay \$5,000 as the costs of this investigation. This amount shall be paid within 30 days of this Consent Order. This payment shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and shall be sent to the Securities Division at 600 West Main Street, PO Box 1276, Jefferson City, Missouri 65101.
30. After ten years from the effective date of this Consent Order, provided Respondent has complied with all terms of this Consent Order, all suspended payments referenced in paragraph 28 above are waived.
31. 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 11~~th~~ DAY OF MAY, 2018.



JOHN R. ASHCROFT
SECRETARY OF STATE


DAVID M. MINNICK
COMMISSIONER OF SECURITIES

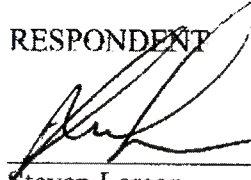
Consented to by:
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION





Desiree J. Vitale,
Enforcement Counsel
Counsel for Petitioner

RESPONDENT



Steven Larson
CRD No. 2422755