



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
ANDREW DENNEY, CRD No. 4751722,)
) Case No. AP-18-01
Respondent.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Derek Green, has alleged that Andrew Denney, (“Denney” or “Respondent”) violated Sections 409.4-402(a) and 409.4-411(b), RSMo. (2016)¹ by: (a) assisting an unregistered individual’s efforts to transact business as a broker-dealer agent; and (b) causing the records of a broker-dealer and/or investment adviser to become inaccurate concerning client communications and protection of client information.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent’s alleged violations of Sections 409.4-402(a) and 409.4-411(b).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“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 Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), 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 Respondent’s right to a hearing with respect to this matter.

¹ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri

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, 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 positions in connection with litigation, arbitration, or other legal proceeding in which the Commissioner 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 Enforcement 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 Consent Order.
12. This Order is not intended to subject Respondent to disqualification under the laws of the United States or any state or territory, or under the rules or regulations of any securities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal securities registration exemptions or safe harbor provisions.

COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

13. Denney, CRD No. 4751722, is a Missouri registered investment adviser representative with Independent Financial Partners, IARD No. 125112, and was a broker-dealer agent. Denney currently has an office address of 1354 East Kingsley Street, Suite C, Springfield, Missouri 65804.

14. Prior to April 2013, a registered broker-dealer agent (“Agent”) who was doing business in Springfield, Missouri.
15. In April 2013, Agent pled guilty to a felony stalking charge in the United States District Court for the Western District of Tennessee and was sentenced to among other things, five years’ probation in August 2013.
16. As a result of Agent’s conviction, Agent would be statutorily disqualified from participating in the brokerage industry.
17. In January 2014, Denney’s then-employer, Lawing Financial, Inc. (“Lawing”), entered into an agreement with Agent whereby Lawing purchased ownership in Agent’s client relationships and the underlying good will associated with it, along with the files, documents, and other records of her clients.
18. As part of Lawing and Agent’s agreement and for a limited duration and under limited conditions, Agent was to assist in the transition of clients. Agent’s primary function was to introduce her former clients to their new financial advisors. Lawing assigned Denney as one of the new advisors.
19. After being assigned by Lawing, Denney began to communicate with Agent on an almost daily basis via phone, text message, and in-person meetings regarding Agent’s former clients. During that period Lawing generally prohibited its employees from communicating about their securities business using text messages and Denney was aware of that policy.
20. The contact with Agent involved accepting Agent’s introductions to customers, discussing and receiving Agent’s suggestions about her former customers’ investments and/or discussing or receiving paperwork from Agent relating to customer securities transactions.
21. Lawing representatives, including Denney, continued contact with Agent until at least May 30, 2014 when Agent was barred by FINRA. After May 30, 2014, Denny remained in contact with Agent on at least a weekly basis, up until December 2014. The contact continued to involve the discussing of client’s accounts and the sharing of nonpublic client information.
22. On or about October 29, 2015, Denney resigned from Lawing and began his own firm.

II. CONCLUSIONS OF LAW

23. The Commissioner finds Respondent assisted Agent’s efforts to transact business in the state of Missouri as an unregistered agent in violation of Section 409.4-402(a); and failed to protect client information from unauthorized access and provide copies of all text messages, causing the books and records of Lawing to become inaccurate in a material respect in violation of Section 409.4-411(b), and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.

24. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement 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.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

25. 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 violating Sections 409.4-402(a) and 409.4-411(b).
26. Respondent's registration is hereby CENSURED.
27. Respondent is subject to a firm supervision plan that extends for a period of two years.
28. Respondent shall pay \$15,000 to the Missouri Secretary of State's Investor Education and Protection Fund. Of this total amount, \$5,000 shall be sent within 180 days of the effective date of this Consent Order to the Securities Division at 600 West Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. Payment of the remaining \$10,000 of this amount shall be suspended for a period of two years, but 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. If, at the conclusion of the two-year period neither of those conditions has occurred, the Commissioner waives Respondent's payment of the suspended amount.
29. Respondent shall pay \$6,650 as the cost of this investigation. Of this total amount, \$1,650 shall be sent within 180 days of the effective date of this Consent Order to the Securities Division at 600 West Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. Payment of the remaining \$5,000 of this amount shall be suspended for a period of two years, but 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. If, at the conclusion of the two-year period neither of those conditions has occurred, the Commissioner waives Respondent's payment of those remaining costs.
30. 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 8th DAY OF January, 2018.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in cursive script, reading "David M. Minnick".

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:

THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

A handwritten signature in cursive script, reading "Derek Green".

Derek Green
Enforcement Counsel

A handwritten signature in cursive script, reading "Andrew Denney".

Andrew Denney

RESPONDENT