



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
SCOTT STUART NIEKAMP, )  
CRD No. 3277810, ) Case No.: AP-21-11  
Respondent. )

**CONSENT ORDER**

1. On June 9, 2021, the Financial Industry Regulatory Authority (“**FINRA**”) issued an Acceptance, Waiver, and Consent (“**AWC**”) against Scott Stuart Niekamp (“**Niekamp**”), a Missouri-registered investment adviser representative, for engaging in two outside business activities without providing prior written notice to his employer, investment adviser Northwestern Mutual Investment Services, LLC (“**NMIS**”), in violation of FINRA Rules 3270 and 2010, and making two loans totaling \$450,000 to a firm customer without notifying or obtaining prior approval from NMIS, in violation of FINRA Rules 3240 and 2010.<sup>1</sup> Pursuant to the AWC, Niekamp consented to a three-month suspension from association with any FINRA member in any capacity and a \$10,000 fine. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Director of Enforcement, Douglas M. Jacoby, alleges that these actions constitute sufficient grounds to suspend Niekamp’s Missouri registration as a broker-dealer agent and investment adviser representative in accordance with Sections 409.4-412(b) and 409.4-412(d)(5)(C).<sup>2</sup>
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to the alleged violation of Section 409.4-412(d)(5)(C).

**CONSENT TO JURISDICTION**

3. Respondent and the Securities Division stipulate and agree that the Missouri Commissioner of Securities (“**the Commissioner**”) has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

<sup>1</sup> See FINRA AWC issued in Matter No. 2018057421801.

<sup>2</sup> Unless otherwise noted, all statutory references are to the 2020 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 any rights to a hearing with respect to this matter.
6. Respondent waives any rights that he 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 the 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 Securities Division that, should the facts contained herein prove to be false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

#### CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Securities Division 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 defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that he 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 Securities Division or the Findings of the Commissioner, but consent 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.

#### THE COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

##### I. FINDINGS OF FACT

12. Respondent is a Wildwood, Missouri, resident and has been a Missouri-registered broker-dealer agent since 2002 and Missouri-registered investment adviser representative since

2007. Respondent has been associated with NMIS since March 2000. Respondent is registered in the Central Registration Depository (“**CRD**”) with number 3277810. Respondent has been associated with NMIS since 2000 and has conducted business for NMIS at 424 S. Woods Mill Road, Suite 110, Chesterfield, MO 63017.

13. NMIS is a Wisconsin-based broker-dealer and investment adviser with an address of 720 East Wisconsin Avenue, Milwaukee, WI 53202. NMIS is registered in CRD with number 2881. NMIS is a federal covered investment adviser and has notice filed in the State of Missouri continuously since March 2002.

A. Respondent’s Undisclosed Outside Business Activities

14. In May 2011, NMIS approved Respondent’s request to invest and participate in an outside business activity (“**OBA**”) known as Commons Development Company (“**CDC**”), a developer of senior living facilities. Respondent told NMIS that, as a passive investor, his activities would be limited to reviewing corporate documents, attending quarterly board meetings and filing tax returns. In November 2014, Respondent updated his OBA disclosures to reflect that he was no longer involved with CDC.
15. However, from June 2011 to August 2017, Respondent engaged in other OBA on behalf of CDC. For example, Respondent reviewed and edited pitch materials for potential investors, hired and paid print vendors, contributed capital towards a possible real estate purchase and met with individuals seeking to partner with CDC on future projects. Respondent also engaged in negotiations for a possible land purchase through CDC’s d/b/a, Urban Prairie Development.
16. In 2011, Respondent also received a two-percent ownership interest in Keystone Technologies, LLC (“**Keystone**”). Keystone provides technology solutions for senior living facilities and partnered with CDC on several potential projects. Respondent assisted Keystone in its attempts to secure financing by facilitating meetings with a local bank, and referenced Keystone and Urban Prairie Development in the signature block of the personal email address he used to conduct his OBA.
17. Respondent did not disclose the additional OBA he conducted through CDC and Urban Prairie Development, or his membership interest and activities on behalf of Keystone, to NMIS, as required by FINRA Rule 3270 and pursuant to NMIS’ written supervisory procedures, until 2018. Respondent also made false statements regarding his OBA on six compliance questionnaires.

B. Respondent’s Lending Activities with Firm Customers

18. In June 2015, Respondent’s NMIS customer and friend approached Respondent about a possible loan to assist the customer in obtaining bank financing and covering payroll taxes for his business. The discussions continued in July and, in September 2015, Respondent and his wife loaned the customer \$250,000 via a check drawn on their account. In May 2016, Respondent and his wife loaned the customer another \$200,000.

19. Respondent did not disclose or seek approval from NMIS for the loans, as required by FINRA Rule 3240 and pursuant to NMIS' supervisory procedures. Respondent also falsely stated on a compliance questionnaire that he had not loaned money to a firm customer.
20. On June 9, 2021, FINRA issued an AWC in Matter No. 2018057421801. According to the AWC, Respondent consented to a three-month suspension from association with any FINRA member in any capacity and a \$10,000 fine for the conduct set forth above.
21. On July 6, 2021, FINRA provided notice to the Securities Division of the AWC in Matter No. 2018057421801 involving Respondent.
22. The Enforcement Section alleges that the regulatory action taken by FINRA against Respondent in Matter No. 2018057421801 constitutes sufficient grounds to suspend Respondent's Missouri registrations as a broker-dealer agent and an investment adviser representative in accordance with Sections 409.4-412(b) and 409.4-412(d)(5)(C).

## II. CONCLUSIONS OF LAW

23. **THE COMMISSIONER CONCLUDES** that an order is in the public interest to suspend the registrations of Respondent as a broker-dealer agent and investment adviser representative pursuant to Sections 409.4-412(b) and 409.4-412(d)(5)(C).
24. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
25. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondent in 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:

26. Respondent is **SUSPENDED** from operating as a broker-dealer agent and investment adviser representative in the State of Missouri for a period of three months beginning July 19, 2021, during which Respondent is prohibited from receiving remuneration or compensation, either directly or indirectly, of any kind or in any form from NMIS or any officer, director, employee or agent of NMIS;
27. Respondent shall pay \$2,500 to the Missouri Secretary of State's Investor Education and Protection Fund for violations of Section 409.4-412(d)(5)(C). This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101 at the execution of this Order;


28. Respondent, his agents and employees, and all other persons participating in the above-described alleged violations with knowledge of this Order, are permanently enjoined and restrained from engaging in violation of Section 409.4-412(d)(5)(C), by engaging in conduct and/or activities subject to discipline under Section 409.4-412; and
29. 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 2nd DAY OF ~~JULY~~ <sup>August</sup>, 2021.

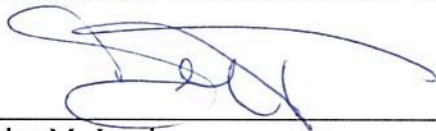


JOHN R. ASHCROFT  
SECRETARY OF STATE

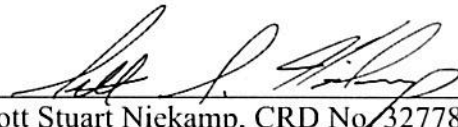
  
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DAVID M. MINNICK  
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

  
\_\_\_\_\_  
Douglas M. Jacoby  
Director of Enforcement

RESPONDENT

  
\_\_\_\_\_  
Scott Stuart Niekamp, CRD No. 3277810