



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
ROBERT E. HILLARD, CRD #1005606, ) Case No.: AP-25-01  
 )  
Respondent. )

**CONSENT ORDER**

1. On December 11, 2024, the Financial Industry Regulatory Authority (“**FINRA**”) issued an Acceptance, Waiver, and Consent (“**AWC**”) against Robert E. Hillard (“**Hillard**” or “**Respondent**”), a Missouri-registered broker-dealer agent and investment adviser representative, for recommending fourteen (14) clients liquidate lower-cost Class A and Class C mutual funds to purchase higher-cost variable annuities without having a reasonable basis to believe the transactions were suitable. As a result, Hillard violated FINRA Rules 2330(b), 2111, and 2010<sup>1</sup>, and cost the clients \$67,026.47 in higher fees. Pursuant to the AWC, Hillard consented to a four-month suspension from association with any FINRA member in any capacity, a \$10,000 fine, and \$67,026.47 in restitution. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through General Counsel Clifton M. Davis, alleges that these actions constitute sufficient grounds to suspend Hillard’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 Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to Respondents’ alleged violation of Section 409.4-412(d)(5)(C).

**CONSENT TO JURISDICTION**

3. Respondent and the Enforcement Section 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 Enforcement Section stipulate and agree that the Commissioner has

<sup>1</sup> See FINRA AWC issued in Matter No. 2020065154601.

<sup>2</sup> Unless otherwise indicated, statutory citations refer to the 2016 edition of the Revised Statutes of Missouri, updated by the 2024 Cumulative Supplement.

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 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 Enforcement Section that, should the facts contained herein prove to be false or incomplete, 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 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.
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 Enforcement Section or the Findings of the Commissioner, 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.

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

##### I. FINDINGS OF FACT

12. Respondent is a St. Louis, Missouri resident and has been a Missouri-registered broker-dealer agent since 1983 and a Missouri-registered investment adviser since 1990.

Respondent is registered in the Central Registration Depository (“CRD”) with number 1005606. Respondent has been associated with Arlington Securities, Inc. (“Arlington”) since 1990 and serves as Arlington’s President, Chief Executive Officer, and Chief Financial Officer.

13. Arlington is a Missouri-based broker-dealer and investment adviser with an address of 140 Marine Lane, St. Louis, MO 63146. Arlington is registered in CRD with number 19596. Arlington is a federal covered investment adviser and has notice filed in the State of Missouri since March 1990.
14. Between 1989 and 1995, Hillard was the Respondent in at least five formal disciplinary actions brought by FINRA and other regulators. Two of the settlements alleged supervisory failures.
15. On December 11, 2024, Hillard and Arlington entered into an AWC with FINRA. It was alleged that from December 31, 2018, through October 28, 2019, Hillard advised 14 customers to liquidate their Class A and Class C mutual funds to purchase higher-cost variable annuities, lacking a reasonable basis to believe the transactions were suitable. As a result of these transactions, the 14 clients paid \$67,026.47 in higher fees. Based on these transactions, Hillard violated FINRA Rules 2330(b), 2111, and 2010.
16. As a result of the FINRA AWC, Hillard consented to a four-month suspension from association with any FINRA member in any capacity, a \$10,000 fine, and restitution to the 14 investors in the amount of \$67,026.47 for the conduct set forth above.
17. The Enforcement Section alleges that the regulatory action taken by FINRA against Respondent in Matter No. 2020065154601 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

18. **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).
19. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
20. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Enforcement Section, 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:

21. Respondent is **SUSPENDED** from operating as a broker-dealer agent and investment adviser representative in the State of Missouri concurrent with the FINRA suspension until May 5, 2025, during which Respondent is prohibited from receiving remuneration or compensation, either directly or indirectly, of any kind or in any form from any broker-dealer or investment adviser or any officer, director, employee or agent of same;
22. Respondent shall pay \$10,000 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;
23. Respondent is permanently enjoined and restrained from engaging in violations of Section 409.4-412(d)(5)(C), by engaging in conduct and/or activities subject to discipline under Section 409.4-412; and
24. Respondent shall pay their 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 March, 2025.



DENNY HOSKINS, CPA  
SECRETARY OF STATE

A handwritten signature in dark ink, appearing to read "Michael A. O'Donnell", written over a horizontal line.

MICHAEL A. O'DONNELL  
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

A handwritten signature in blue ink, appearing to read "Clifton M. Davis", written over a horizontal line.

CLIFTON M. DAVIS  
GENERAL COUNSEL

RESPONDENT

A handwritten signature in dark ink, appearing to read "Robert E. Hillard", written over a horizontal line.

ROBERT E. HILLARD, CRD No. 1005606