



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

CONSOLIDATED FINANCIAL
INVESTMENTS, INC., CRD# 18810,

Respondent.

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Case No.: AP-25-02

CONSENT ORDER

1. 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 from January 3, 2019 to October 21, 2024 (“**Relevant Period**”), Respondent Consolidated Financial Investments, Inc. (“**CFI**” or the “**Firm**”), among other things, transacted business as an investment adviser (“**IA**”) in Missouri without being registered or exempt from registration, in violation of Section 409.4-403(a) of the Missouri Securities Act (the “**Act**”) ¹, and failed to supervise two of its employees and/or associates who transacted business in Missouri as investment adviser representatives (“**IARs**”) without being registered, or exempt from registration, with the Division. The Enforcement Section alleges that these actions constitute sufficient grounds for the Missouri Commissioner of Securities (“**Commissioner**”) to discipline Respondent in accordance with Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations raised in this matter by the Enforcement Section relating to the alleged violations of Sections 409.4-403(a), 15 CSR 30-51.140(1)(J), and 15 CSR 30-51.171(2)(A).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over Respondent and this matter 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:

¹ Unless otherwise indicated, statutory citations refer to the 2016 edition of the Revised Statutes of Missouri, updated by the 2024 Cumulative Supplement.

“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 right to a hearing with respect to this matter.
6. Respondent waives any rights that it 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 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 it 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, and for no other purpose.

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

I. FINDINGS OF FACT

A. Respondent and Related Parties

12. **Consolidated Financial Investments, Inc.** is a Missouri-registered broker-dealer (“**BD**”) with a principal address at 222 North Meramec Ave., Clayton, Missouri 63105. CFI is registered in the Central Registration Depository (“**CRD**”) with number 18810. CFI has been a member of the Financial Industry Regulatory Authority (“**FINRA**”) since May 1987 and registered with the state of Missouri as a BD since 1988. CFI is affiliated with Missouri-registered investment adviser (“**IA**”), Asset Planners, Inc. d/b/a Consolidated Wealth Management (“**CWM**”) that provides investment advisory services and financial planning.
13. **CWM** is a Missouri-registered IA with a principal address at 222 North Meramec Ave., Clayton, Missouri 63105 and is registered in CRD with number 141330. CWM has been registered with state of Missouri since 2006 and the state of Illinois since 2008. Alan Stiffelman (“**Stiffelman**”) is controlling owner and Principal of CWM since 2016 and CWM employs one IAR. CWM provides fee based financial planning and accounts are held in custody at Royal Bank of Canada (“**RBC**”).
14. **Stiffelman** is a seventy-five-year-old resident of St. Louis, Missouri, and is registered in CRD with number 1351661. Stiffelman is the president, CEO, and Chief Compliance Officer (“**CCO**”) of CFI, and has been associated with the Firm as a Missouri-registered broker dealer agent (“**BDA**”) since November 7, 1988. Stiffelman is not currently nor has he ever been registered as an IAR in Missouri.
15. **Carl Bardenheier, Jr.** (“**Bardenheier**”) is a sixty-eight-year-old resident of Richmond Heights, Missouri, and is registered in CRD with number 1138381. Bardenheier is employed by CFI as a Missouri-registered BDA and has been associated with the Firm since June 3, 1991. Bardenheier is not currently nor has he ever been registered as an IAR in Missouri.

B. Facts

16. On October 11, 2024, the Enforcement Section received a referral from FINRA regarding its findings in a recent exam FINRA conducted on CFI. According to the referral, FINRA alleges that CFI’s principals, Stiffelman and Bardenheier, appear to be transacting business in Missouri as investment adviser representatives to a certain number of the Firm’s customer accounts (“**Accounts**”) in violation of the Act.
17. Section 409.4-403(a) of the Act provides, in relevant part,

It is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this act as an investment adviser or is exempt from registration as an investment adviser under subsection (b).

18. Based upon the allegations presented by FINRA, the Enforcement Section opened an investigation for review and resolution of a potential violation of Section 409.4-403(a).
19. On November 4, 2024, the Enforcement Section mailed a request for information letter to CFI. The response received from Stiffelman confirmed that the Firm, through Stiffelman and Bardenheier, has been providing investment advisory services to certain Accounts on-boarded with the Firm, rather than the Firm's IA affiliate, CWM.
20. With respect to the investment advisory activities of the Firm, and Stiffelman and Bardenheier, the Firm claimed to be relying on the exemptions under 15 CSR 30-51.180(3) and (4)².
21. 15 CSR 30-51.180(3), which is titled *Exemption from Investment Adviser Registration for Broker-Dealers with Investment Adviser Capacity*, provides,

A broker-dealer registered under section 409.4-401, RSMo, that transacts business in this state as an investment adviser is exempt from registering as an investment adviser under section 409.4-403, RSMo, provided that the broker-dealer complies with the following conditions:

1. The broker-dealer must control and supervise all investment advisory activities of the investment adviser representatives; and
2. The broker-dealer must comply with the notice filing requirement set forth in 15 CSR 30-51.020(1)(C).

22. 15 CSR 30-51.020(1)(C), which is titled *Broker-Dealers with Investment Adviser or Federal Covered Adviser Capacity*, provides, in relevant part,

A broker-dealer, that intends to employ or supervise investment adviser representatives, but which is not also registered as an investment adviser or filed as a federal covered adviser, shall file a Form ADV with its initial or renewal application for registration as required above [in sections (1)(A) and (1)(B) of this rule].

23. 15 CSR 30-51.180(4), which is titled *Exemption from Investment Adviser Representative Registration for Broker-Dealer Agents*, provides,

² On August 29, 2024, the Commissioner filed a proposed amendment ("**Proposed Rule**") to rescind 15 CSR 30-51.010(4), 15 CSR 30-51.020(1)(C) and 15 CSR 30-51.180(3) and (4), which appeared in the October 1, 2024, publication of the Missouri Register. The Commissioner received no comments on the Proposed Rule. The Proposed Rule, which has been re-published in the December 16, 2024, issue of the Missouri Register, is being adopted, as proposed, and becomes effective on February 28, 2025.

A broker-dealer agent registered under section 409.4-402, RSMo, that transacts business in this state as an investment adviser representative is exempt from registering as an investment adviser representative under section 409.4-404, RSMo, provided that the investment adviser representative is under the control and supervision of the registered broker-dealer.

24. Given that the Firm had a place of business in Missouri during the Relevant Period, the Firm does not qualify for any other exemptive relief available in the Act or rules promulgated thereunder with respect to registration.
25. Although CFI claimed to have relied on the exemptions under 15 CSR 30-51.180(3) and (4), both for the Firm and its two BDAs, Stiffelman and Bardenheier, the Firm never notice filed with the Missouri Securities Division as required under 15 CSR 30-51.020(1)(C).
26. As a result, CFI, through Stiffelman, and Bardenheier, transacted business, during the Relevant Period, in Missouri as an investment adviser to eight Accounts, the underlying clients of which ranged in age from seventy-five years of age to ninety-seven years of age with investment portfolios ranging from \$600,000 to \$2.5 million.
27. The clients of the eight Accounts authorized advisory fee payments by signing journal authorization forms and, according to information obtained by the Enforcement Section through RBC, the Firm, along with Stiffelman and Bardenheier, routinely received investment adviser-related fees from the eight Accounts during the Relevant Period.
28. Further, despite transacting business as an investment adviser with respect to the eight Accounts, CFI had no written investment adviser contracts with any of the advisory clients as required under 15 CSR 30-51.140(1)(J). Stiffelman stated that the advisory services were performed on verbal agreements with the advisory clients.
29. Based on a review of the Firm's written supervisory procedures ("WSP"), the Firm failed to establish any procedures and systems specifically designed to achieve compliance with, among other things, Section 409.4-403(a), 15 CSR 30-51.180(3) and (4), 15 CSR 30-51.020(1)(C) and 15 CSR 30-51.140(1)(J).

C. Alleged Violations

30. The Enforcement Section alleges that the failure by CFI to register as an IA in Missouri during the Relevant Period violated Section 409.4-403(a) of the Act, which makes it unlawful for a person to transact business in Missouri as an IA unless the person is registered or exempt from registration under the Act.
31. The Enforcement Section alleges that during the Relevant Period, CFI failed to make and keep true, accurate, and current written agreements (or copies thereof) entered into by the Firm, in its capacity as an investment adviser, with each respective client(s) of the eight Accounts, in violation of 15 CSR 30-51.140(1)(J).

32. The Enforcement Section alleges that during the Relevant Period, CFI failed to establish procedures and systems for supervising the activities of its agents, employees, and Missouri office operations that were reasonably designed to achieve compliance with the Act and applicable rules promulgated thereunder, regarding the Firm's investment adviser capacity, in violation of 15 CSR 30-51.171(2)(A).
33. The Enforcement Section alleges that these actions by the Firm constitute sufficient grounds for the Commissioner to impose a sanction on Respondent in accordance with Section 409.6-604.

II. CONCLUSIONS OF LAW

34. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent transacted business in Missouri as an investment adviser, as defined under Section 409.1-102(15), for at least eight client accounts of the Firm.
35. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent's failure to register as an investment adviser under the Act violated Section 409.4-403(a).
36. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent failed to make and keep true, accurate, and current written agreements (or copies thereof) entered into by the Firm, in its capacity as an investment adviser, with each respective client(s) of the eight Accounts, in violation of 15 CSR 30-51.140(1)(J).
37. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, the Firm failed to establish procedures and systems for supervising its agents, employees, and Missouri office operations that were reasonably designed to achieve compliance with the Act and rules promulgated thereunder, as applicable to the Firm's investment adviser capacity, in violation of 15 CSR 51.171(2)(A).
38. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
39. The Commissioner, after consideration of the stipulations set forth above and on consent of 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:

40. Respondent shall pay \$169,852 to the Missouri Secretary of State's Investor Education and Protection Fund for violating Section 409.4-403(a), 15 CSR 30-51.140(1)(J), and 15 CSR 51.171(2)(A). **This amount is due upon execution of this Order by Respondent and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund** and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
41. Respondent, their 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 conduct and/or activities subject to discipline under Sections 409.4-403(a), 15 CSR 30-51.140(1)(J), and 15 CSR 51.171(2)(A); and
42. Respondent shall pay its 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 25TH DAY OF AUGUST, 2025.



DENNY HOSKINS, CPA
SECRETARY OF STATE

MICHAEL A. O'DONNELL
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

Douglas M. Jacoby
Director of Enforcement

RESPONDENT

Consolidated Financial Investments, Inc.,
CRD# 18810
Alan L. Stiffelman, Owner/Manager