



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
JAMES D. STINSON, JR., CRD No. 4005905,) AP-16-16
)
Respondent.)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State ("Division"), through Enforcement Counsel Scott Snipkie, has alleged that James D. Stinson, Jr., ("Stinson" or "Respondent") violated Section 409.4-406, RSMo (Cum. Supp. 2013)¹ by failing timely to update Respondent's Uniform Application for Securities Industry Registration or Transfer Form ("U4") filings regarding two judgments and a Missouri Department of Revenue tax lien and subsequent garnishment.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to Respondent's alleged violations.

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:

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the 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, 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.

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

I. FINDINGS OF FACT

12. James D. Stinson, Jr. (“Stinson”) was, at all times relevant and until March 6, 2016, a Missouri-registered investment adviser representative and broker-dealer

agent. Stinson was registered in Missouri through the Central Registration Depository (“CRD”) with number 4005905, and has a last known address of 12828 Sunset Glen Estates, St. Louis, Missouri, 63127.

13. LPL Financial, LLC (“LPL”) is a federal-covered investment adviser, registered with the Securities and Exchange Commission (“SEC”) since August 1975, and notice-filed in Missouri since March 1991, with a home office address of 75 State Street, 22nd Floor, Boston, Massachusetts, 02109. LPL has also been a Missouri-registered broker-dealer since July 1983, and is registered in Missouri through the CRD with number 6413. Respondent was employed by LPL first from January 20, 2004 until February 20, 2008 and again from November 24, 2014 until March 6, 2016.
14. U.S. Bancorp Investments, Inc. (“USBancorp”) is a federal-covered investment adviser, registered with the SEC and notice-filed in Missouri since July 2007. For the period May 2002 through July 2007, USBancorp was a Missouri-registered investment adviser. USBancorp has a home office address of 60 Livingston Avenue, EP-MN-WN3C, Saint Paul, Minnesota 55107. USBancorp has also been a Missouri-registered broker-dealer since October 1989, and is registered in Missouri through the CRD with number 17868. Respondent was employed by USBancorp from June 2, 2008 until August 22, 2013.

Enforcement Section Investigation

15. On or about January 29, 2016, the Enforcement Section opened an investigation on LPL and Stinson for, among other things, Stinson’s failure timely to update his U4 filings with regard to two judgments and a tax lien and subsequent garnishment described as follows:
 - a. June 6, 2005: *Beneficial Missouri, Inc. v. Stinson*, case number 22040-13009-01, judgment against Stinson in the amount of \$18,024.94. This judgment was later satisfied on July 1, 2009;
 - b. November 8, 2006: *William A. Catlett, LLC v. Stinson*, case number 2106AC-27699, judgment against Stinson in the amount of \$410. This judgment was later satisfied on October 2, 2009; and
 - c. October 31, 2014: *Missouri Department of Revenue v. Stinson*, case number 14SL-MC15523, a tax lien case against Stinson in the amount of \$15,312.16. This subsequently resulted in a garnishment on May 26, 2015 in the amount of \$15,548.73 (same case number).
16. Stinson failed to report the judgments and liens from paragraph 15 above within 30 days.
17. On February 4, 2016, the Enforcement Section sent a target letter to LPL asking for, among other things, an explanation concerning why Stinson failed to report the above-mentioned judgments and tax lien and why LPL failed to identify and disclose the judgments and tax lien.

18. In their response dated February 25, 2016, LPL stated, among other things:
 - a. it was LPL's belief that the judgment in favor of Beneficial Missouri was disclosed and timely filed;
 - b. LPL was not aware of the \$410 judgment since it did not appear on credit reports that LPL utilizes for its onboarding process;
 - c. the \$15,312.16 tax lien did not appear on credit reports that LPL utilizes as part of its onboarding process;
 - d. Stinson failed to disclose the \$410 judgment and \$15,312.16 tax lien to LPL;
 - e. Stinson updated his U4 filing disclosing the judgment and tax lien on February 18, 2016;
 - f. Stinson declined to provide a response to the Enforcement Section's concerns.
19. In an email dated March 7, 2016, LPL told the Enforcement Section that Stinson was being terminated due to "credit and production concerns." On March 8, 2016, LPL filed a U5 termination on Stinson.
20. On March 8, 2016, the Enforcement Section sent a letter requesting information to Stinson's last known address. This letter was returned "unclaimed unable to forward" on March 31, 2016.
21. Prior to the return of the inquiry letter, The Enforcement Section called Stinson at his last known home telephone number and left a message, but Stinson has not responded.

II. CONCLUSIONS OF LAW

24. The Commissioner finds that Respondent failed to file correcting amendments to his applications within thirty (30) days disclosing the abovementioned judgments or liens, in violation of 409.4-406.
25. 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:

1. 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 Section 409.4-406 by failing promptly to make correcting amendments to inaccurate applications.
2. Respondent's registration is hereby CENSURED.
3. Respondent is ordered to pay two thousand dollars (\$2,000) to the Investor Education and Protection Fund. Two hundred dollars (\$200) shall be paid within 30 days of the date of this Order and the remaining balance shall be paid in 18 equal installments of \$100 each, payable on the 1st day of each subsequent month until the balance is fully paid. Such payments shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund.
4. Respondent is ordered to pay an additional eight thousand dollars (\$8,000) to the Investor Education and Protection Fund. This payment shall be suspended for two (2) 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, after two years from the date of this Consent Order, neither of those conditions has occurred, the Commissioner waives Respondents' payment of the remaining amount; and,
5. 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 15th DAY OF August, 2016.



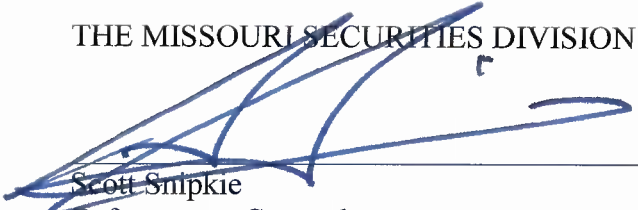
JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

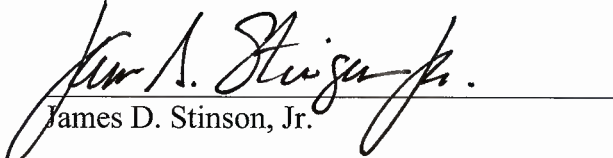
Consented to by:

THE MISSOURI SECURITIES DIVISION



Scott Snipkie
Enforcement Counsel

RESPONDENT



James D. Stinson, Jr.