

State of Missouri
Office of Secretary of State

Case No. AP-08-21

IN THE MATTER OF:

UMB Financial Services, Inc.

Serve at:

101 Grand Blvd
Kansas City, MO 64106

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division conducted a routine audit of the Respondent UMB Financial Services, Inc. (hereinafter referred to as "UMBFSI") on June 20-22, 2007, and has alleged that the audit uncovered deficiencies in UMBFSI's supervisory systems pertaining to heightened supervision, transmittal of funds, and identification and verification of customers' investment objectives, which the Division alleges constitutes grounds to discipline the registration of UMBFSI pursuant to Section 409.4-412, RSMo. (Cum. Supp. 2007).
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondent's activities.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the Commissioner has jurisdiction over this Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2007), which provides:

"The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

5. Respondent waives its 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 Secretary of State, Secretary of State, Commissioner of Securities 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 and the Securities Division stipulate and agree that with this Order, the subject matter of the Division's audit findings as a result of the audit which began on June 20, 2007, is fully and finally resolved, and no further action shall be taken by the Securities Division against Respondent and its representatives and agents. Should the facts contained herein prove to be false, the Securities Division reserves the right to pursue any and all legal and administrative remedies at its disposal.
8. This Order represents a settlement between the parties. It is expressly understood that this stipulation and Order are for the purpose of resolving this proceeding only and are not to constitute admissions of liability or wrongdoing for any other purpose or proceeding.

CONSENT TO COMMISSIONER'S ORDER

9. 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.
10. 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 a factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; or (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities is not a party; or (c) right to make public statements that are factual.
11. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith

settlement.

12. Respondent neither admits nor denies the allegations made by the Securities Division or the Commissioner's Findings of Fact, Conclusions of Law and Order as set forth below but consents thereto solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

FINDINGS OF FACT

13. UMBFSI is a Missouri broker-dealer with its principal place of business located at 1010 Grand Ave. Kansas City, Missouri 64106. UMBFSI has a Central Registration Depository ("CRD") number of 17073.
14. Broker-dealers are required to maintain a written supervisory system that is reasonably designed with respect to the activities of the firm and its registered representatives to achieve compliance with applicable securities laws and regulations.
15. The Division's audit revealed, among other things, that:
 - a. The Securities Division found facts that led the Division to believe that the firm's conduct and documentation relating to a registered representative's special supervision were inadequate;
 - b. The Securities Division found facts that led the Division to believe that the firm's procedures pertaining to the transmittal of a customer's IRA rollover were not followed, leading to the customer's check to remain in a desk drawer for six (6) months; and
 - c. The Securities Division found facts that led the Division to believe the firm's procedures of not requiring the prioritization of a customer's investment objectives to be inadequate.

CONCLUSIONS OF LAW

16. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over this 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 RSMo. (Cum Supp. 2007).

ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of thirty thousand dollars (\$30,000) immediately upon the effective date of this Order. This amount shall be sent to the Securities Division and the Division will forward the funds to the Missouri Secretary of State's Investor Education and Protection Fund;
2. Respondent is ordered to pay thirteen thousand dollars (\$13,000.00) as the cost of this investigation. This amount shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. This amount shall be immediately due and payable, and shall be submitted to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101; and
3. 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 12TH DAY OF SEPTEMBER, 2008.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Lori J. Neidel
Chief Enforcement Counsel
Missouri Securities Division

UMB Financial Services, Inc.

By: (signed)

Name: Andrew M. Ellis

Title: President