

State of Missouri  
Office of Secretary of State

Case No. AP-08-22

IN THE MATTER OF:

ROBERT T. ANDERSON, CRD # 2229293;

Respondent.

Serve Anderson at:  
1109 Windridge Estate Lane  
Chesterfield, Missouri 63005.

**CONSENT ORDER**

**SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS**

1. The Enforcement Section of the Missouri Securities Division ("Securities Division") has alleged that Respondent Robert T. Anderson ("Respondent") made unsuitable transactions in certain elderly customers' accounts by placing large amounts of the customers' net worth into illiquid variable annuities and into speculative closed-end management investment company shares, and that these transactions were not in the best interest of Respondent's customers.

The Securities Division further alleges that Respondent conducted unsuitable transactions in the account of a customer with a cognitive disability who had no ability to understand financial matters or the financial products Respondent recommended.

The Division further alleges that such practices constitute dishonest or unethical practices in the securities business and are grounds to revoke Respondent's agent registration 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 the allegation that Respondent engaged in dishonest and unethical practices.

**CONSENT TO JURISDICTION**

3. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the 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 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."

**WAIVER AND EXCEPTION**

5. Respondent waives its right to a hearing with respect to this matter.
6. Respondent waives any right 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 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 stipulates and agrees with the Securities Division that, should the facts contained herein prove to be false or incomplete, the Missouri 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 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.

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 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.

**COMMISSIONER'S FINDINGS OF FACT,  
CONCLUSIONS OF LAW, AND ORDER**

**I. FINDINGS OF FACT**

**II.**

12. Respondent at all times relevant to this order was employed by UBS Financial Services, Inc. ("UBS") and worked out of the UBS Clayton, Missouri branch as a Missouri-registered securities agent. Respondent has a residential address of 1109 Windridge Estate Lane, Chesterfield, Missouri 63005. Respondent was registered with UBS through the Central Registration Depository ("CRD") system and has a CRD number of 2229293.

**A. Transactions by Respondent**

**1. Missouri Residents 1 & 2**

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.

13. From on or around March 1, 2002, to on or around February 25, 2005, Respondent was the agent of record at UBS for an eighty-five (85) year-old Missouri resident ("MR1") and an eighty-three (83) year-old Missouri resident ("MR2"). MR1 and MR2 are husband and wife, and both have an eighth grade education. MR1 retired from his job as a route salesman for a cookie company over twenty years ago. The Securities Division alleges that MR1 and MR2 are unsophisticated, conservative investors who do not follow the financial markets, and who have a very limited understanding of financial matters.
14. MR1 and MR2 told the Securities Division that: they trusted and relied on Respondent to guide them in making decisions regarding their investment accounts; they do not recall initiating any transactions in their accounts and were completely dependent on Respondent and UBS to recommend appropriate transactions for their accounts; and they do not recall anytime when they did not take Respondent's advice regarding transactions in their accounts. MR1 and MR2 further told the Securities Division that, although they signed various documents that Respondent provided to them, they did not understand the nature of these documents or the reasons behind Respondent's recommendations to them.
15. MR1 and MR2 told the Securities Division that they understood that Respondent's recommendations would be "good for them." MR1 and MR2 were not aware how Respondent was compensated by UBS, or how trades in their accounts affected this compensation.
16. The latest new account application for MR1 and MR2, dated March 13, 2002, was supplied to the Division by UBS and indicated that MR1 and MR2 had a net worth of five hundred fifty thousand dollars (\$550,000.00) and an annual income of fifty thousand dollars (\$50,000.00). The new account application also indicated that MR1 and MR2 had an investment return objective of "Current Income" (investments seeking the generation of income), and a primary risk profile of "Moderate" (seeks potential returns with a lower risk of loss of principal).
17. An examination of MR1 and MR2's financial records by the Securities Division indicated that their actual net worth at that time was approximately one hundred fifty thousand dollars (\$150,000.00) and their annual income was approximately twenty-six thousand dollars (\$26,000.00). Personal interviews by the Securities Division with MR1 and MR2 and an examination of their financial records by the Securities Division also indicate that their investment objective was the generation of income with capital preservation, and their risk profile was "Conservative" (seeks securities that are most likely to preserve principal with low risk).
18. From August 2003 through October 2004, a period of 14 months, upon Respondent's recommendations, the following closed-end investment company purchases and sales were made in MR1's and MR2's accounts:
  - a. On August 28, 2003, upon sale of five thousand, five hundred forty-three (5,543) shares of AIM High Yield Fund Class A in the amount of twenty-two thousand, six hundred seventy-two dollars (\$22,672.00) and the purchase of one thousand, five hundred (1,500) shares of Franklin Templeton LTD Duration Income Trust for twenty-two thousand, five hundred dollars (\$22,500.00).
    - i. The prospectus for Franklin Templeton LTD Duration Income Trust stated that it was a newly organized, closed-end management Investment Company.
    - ii. The fund's primary investment objective was to seek high current income.

- iii. The fund's prospectus stated that the fund's "strategies may result in an above average amount of risk and volatility or loss of principal."
  - iv. Eighty percent (80%) of the fund was invested in below "investment grade" debt securities and other income-producing instruments. The prospectus stated that these were commonly referred to as "junk bonds."
- b. On March 25, 2004, upon Respondent's recommendation, MR1 and MR2 liquidated one thousand, six hundred ninety-eight (1,698) shares of the Franklin Templeton LTD Duration, Income Trust in the amount of twenty-five thousand, thirteen dollars (\$25,013.00) and purchased one thousand, five hundred (1,500) shares of Salomon Brothers High Income Fund II Income in the amount of nineteen thousand, two hundred forty-five dollars (\$19,245.00).
- i. Salomon Brothers High Income Fund II Income is a closed-end management investment company that seeks to maximize current income by investing primarily in a diversified portfolio of high- yield debt securities.
  - ii. The fund invests at least eighty percent (80%) of its total assets in high-yield debt securities.
- c. On July 20, 2004, the sale of one thousand, five hundred forty-five (1,545) shares of Salomon Brothers High Income Fund II Income in the amount of eighteen thousand, two dollars (\$18,002.00) and the purchase of one thousand (1,000) shares of Pioneer High Income Trust in the amount of fifteen thousand, nine hundred four dollars (\$15,904.00).
- i. The prospectus for Pioneer High Income Trust (Pioneer Trust) stated, in part, that it was a newly organized, diversified closed-end management investment company. Pioneer Trust's investment objective was current income.
  - ii. Pioneer Trust invested at least eighty percent (80%) of its assets in below investment grade (high-yield) debt securities, loans and preferred stocks.
  - iii. The prospectus stated, among other things, that "because the trust investments will be concentrated in high yield securities, it will be subject to risk of such securities. . . .Below investment grade securities are commonly referred to as "junk bonds" and are considered speculative."
- d. On October 18, 2004, the sale of one thousand (1,000) shares of Pioneer Trust in the amount of sixteen thousand, six hundred thirty dollars (\$16,630.00) and the purchase of seven hundred (700) shares of Eaton Vance Enhanced Equity Income Fund in the amount of fourteen thousand dollars (\$14,000.00).
- i. The prospectus for Eaton Vance Enhanced Equity Income Fund states that "this is a newly organized, diversified, close-end management investment company and the fund invests in at least 80% of its total assets in common stock."
  - ii. The prospectus stated, among other things, that "common stocks are subject to investment risk, including the possible loss of the entire principal amount invested."
19. The Securities Division alleges that these were not customer-driven transactions, but that these resulted in commissions to Respondent.

**b. Annuity Transactions For MR1**

20. During the time that Respondent was registered as an agent for UBS, there was ample discussion and coverage in mass media, industry journals and other sources that called into question the suitability of variable annuities as an investment vehicle, including writings in *BusinessWeek*, *CNNMoney*, *Entrepreneur*, *Forbes.com*, and *USAToday*.
21. During this time, FINRA issued "Notices to Members" on at least five (5) occasions addressing the potential unsuitability of variable annuities as investment vehicles.
22. On May 27, 2003, FINRA issued an investor alert entitled *Variable Annuities: Beyond the Hard Sell*, which indicates, among other things, the key issues that agents should disclose to customers. These issues include potential surrender charges, liquidity issues, tax penalties, fees, and market risk. In addition, the alert states that brokers also "must collect important information from you about your age, marital status, occupation, financial and tax status, investment objectives, and risk tolerance to assess whether a variable annuity is suitable for you."<sup>1</sup>
23. In June 2004, the United States Securities and Exchange Commission ("SEC") and FINRA issued a report<sup>2</sup> that found the high fees and surrender charges inherent in variable insurance products made them inappropriate for many investors.
24. On November 10, 2003, upon Respondent's recommendation, MRI switched a Putnam Hartford PCM variable annuity for twenty-one thousand, five hundred dollars (\$21,500.00), which was not subject to any surrender charge, to a MetLife Class B variable annuity. With the switch, MRI's assets in the new MetLife variable annuity became subject to a new surrender charge period of seven (7) years. The reason listed for the switch was that the client did not like the way Putman was managing money.

25. On November 10, 2003, upon Respondent's recommendation, MR1 switched an ING Access variable annuity for nine thousand dollars (\$9,000.00), which was not subject to any surrender charges, to a MetLife Class B variable annuity. With the switch, MR1's assets in the new MetLife variable annuity became subject to a new surrender charge period of seven (7) years. The reason listed for the switch was, "client wishes to transfer due to lack of communication from ING, wants to consolidate @ UBS, client wishes to lower fees and wants to put money with a bigger, known, financial institution.
26. The Securities Division alleges these switches were not customer-driven transactions and resulted in a loss of liquidity to the investor, but that these transactions resulted in commissions to Respondent.

**b. Annuity Transactions For MR2**

27. On November 10, 2003, upon Respondent's recommendation, MR2 switched an ING Access variable annuity, which was not subject to any surrender charges, to a MetLife Class B variable annuity with a premium of sixteen thousand dollars (\$16,000.00). With the switch, MR2's assets in the new MetLife variable annuity became subject to a new surrender charge period of seven (7) years. The reason listed for the switch was, client wishes to "transfer due to lack of communication from ING, wants to consolidate @ UBS, better product and more features."
28. The Securities Division alleges that this switch was not a customer-driven transaction and resulted in a loss of liquidity to the investor, but that this transaction resulted in a commission to Respondent.

**2. Missouri Resident 3**

29. Since 2003, Respondent was the agent of record at UBS for the account of a fifty-one (51) year-old Missouri resident ("MR3"). MR3 is the daughter of MR1 and MR2.
30. The Securities Division alleges that: MR3 is mentally challenged, possesses limited social skills, works part-time at a McDonalds restaurant, and has never lived away from her parents; MR3 has virtually no understanding of financial matters and does not know what equity securities are; and MR3 does not understand the difference between a mutual fund and a variable annuity. Further, the Securities Division alleges that, although MR3 signed various documents provided to her by Respondent, she had no understanding of what these documents were, what they meant, or how they would affect her account.
31. The latest UBS new account application for MR3, dated March 13, 2002, indicates that MR3 has a net worth of three hundred thousand dollars (\$300,000.00) and an annual income of twenty-five thousand dollars (\$25,000.00), and states that MR3 is a homemaker with twenty-five (25) years of experience with equities.
32. An examination of MR3's financial records places her net worth at approximately one hundred twenty thousand dollars (\$120,000.00) and her annual income at approximately ten thousand dollars (\$10,000.00). The Securities Division alleges that MR3 has virtually no understanding of the current or past trading that has taken place in her account.
33. From August 2003 to October 2004, upon Respondent's recommendations, the following opened-end and closed-end investment company transactions were made in MR3's account:
  - a. On or about August 28, 2003, the liquidation of three thousand, five hundred thirty-seven (3,537) shares of AIM High Yield Fund Class A in the amount of thirty-seven thousand, thirty-three dollars (\$37,033.00) and the purchase of two thousand, five hundred (2,500) shares of Franklin Templeton LTD Duration Income Trust in the amount of thirty-seven thousand five hundred dollars (\$37,500);
  - b. On March 30, 2004, the sale of two thousand, five hundred eighty-one (2,581) shares of the Franklin Templeton LTD Duration Income Trust in the amount of thirty-seven thousand, two hundred ninety-two dollars (\$37,292.00) and the purchase of two thousand, eight hundred (2,800) shares of Salomon Brothers High Income Fund II in the amount of thirty six thousand, seven hundred fourteen dollars (\$36,714.00);
  - c. On July 20, 2004, the sale of two thousand, eight hundred eighty-five (2,885) shares of Salomon Brothers High Income Fund II in the amount of thirty-three thousand, seven hundred eighteen dollars (\$33,718.00) and on July 30, 2004 the purchase of two thousand (2,000) shares of Pioneer High Income Trust in the amount of thirty-one thousand, six hundred ninety-nine dollars (\$31,699.00);
  - d. On October 21, 2004, MR3 sale of two thousand (2,000) shares of Pioneer High Income Trust in the amount of thirty-two thousand, five hundred seventy-eight dollars (\$32,578.00) and the purchase of two thousand, three hundred seventy-four (2,374) shares of Lord Abbett Affiliated Fund Class A, in the amount of thirty-six thousand, five dollars (\$36,005.00);
  - e. On July 27, 2004, the sale of two hundred (200) shares of Citigroup Inc., from MR3's account in the amount of eight thousand, seven hundred seventy dollars (\$8,770.00) and three hundred (300) shares of NASDAQ 100 Shares in the amount of ten thousand, two hundred eighty-seven dollars (\$10,287.00) and the purchase of one thousand, three hundred (1,300) shares of Pioneer High Income Trust in the amount of twenty thousand, one hundred eighty-nine dollars (\$20,189.00);

- f. On October 18, 2004, the sale of one thousand, three hundred (1,300) shares of Pioneer High Income Trust from MR3's account in the amount of twenty-one thousand, six hundred six dollars (\$21,606.00) and five hundred forty (540) shares of Royce Value Trust from the account of MR3 in the amount of nine thousand, seven hundred twenty-five dollars (\$9,725.00); and
- g. On October 29, 2004, use funds from the sales of Pioneer High Income Trust and Royce Valued Trust to purchase one thousand, five hundred twenty-five (1,525) shares of Eaton Vance Enhanced Equity Income in the amount of thirty thousand, five hundred dollars (\$30,500.00).

34. The Securities Division alleges that these were not customer-driven transactions, but these transactions resulted in commissions to Respondent.

**c. Annuity Transactions For MR3**

- 35. On November 10, 2003, upon Respondent's recommendation, MR3 switched a Putnam Hartford PCM variable annuity, which was not subject to surrender charges, to a MetLife Class B variable annuity with a premium of nineteen thousand dollars (\$19,000.00). With the switch, MR3's assets in the new MetLife variable annuity became subject to a new surrender charge period of seven (7) years. The reason listed for the switch was that the client wanted to get out of Putnam investments.
- 36. On November 25, 2003, upon Respondent's recommendation, MR3 switched a Putnam Hartford PCM variable annuity, which was not subject to surrender charges, to a MetLife Class B variable annuity with a premium of eighteen thousand dollars (\$18,000.00). With the switch, MR3's assets in the new MetLife variable annuity became subject to a new surrender charge period of seven (7) years. The reason listed for the switch was that the client wanted to get out of Putnam investments.
- 37. The Securities Division alleges these switches were not customer-driven transactions and resulted in a loss of liquidity to the investor, but that these transactions resulted in commissions to Respondent.

**3. Missouri Resident 4**

- 38. On February 19, 2002, a then ninety (90) year-old Missouri resident ("MR4"), who had resided in a nursing care facility since 1996, transferred her account to UBS. Respondent was her agent of record. MR4 was partially paralyzed and the Securities Division alleges that MR4 was an unsophisticated conservative investor who did not follow the financial markets, and who had a very limited understanding of financial products and financial matters.
- 39. Because of MR4's deteriorating health condition, Respondent talked with MR4's daughter and son-in-law regarding trades in MR4's account. This daughter and son-in-law stated to the Securities Division, among other things, that they:
  - a. were "not savvy enough to invest" MR4's money;
  - b. trusted Respondent's knowledge;
  - c. would never have approved investing in high risk securities;
  - d. could not afford to take any chances with MR4's money as MR4 needed safe investments; and
  - e. talked to Respondent about MR4's need for safe investments many times.
- 40. MR4's account was originally funded with seventy-five thousand dollars (\$75,000.00) from her savings account
- 41. MR4 relied on income from this account and approximately one thousand, nine hundred fifty dollars (\$1,950.00) a month from Social Security to provide for her living expenses and care at her nursing care facility.
- 42. UBS's new account application for MR4, dated March 8, 2002, listed MR4's net worth at three hundred thousand dollars (\$300,000.00), liquid assets totaling one hundred twenty-five thousand dollars (\$125,000.00), an annual income of twenty-five thousand dollars (\$25,000.00), and an investment objective of Capital Appreciation with a Moderate Risk.
- 43. Beginning in 2002, upon Respondent's recommendation, trading occurred in MR4's account in a number of newly organized closed-end management investment company shares. According to the prospectuses for these closed-end funds, the funds contained concentrations of high-yield, below investment grade securities, which are commonly referred to as "junk bonds" and are considered speculative. Further, these funds were designed for long-term investors and not as a short-term trading vehicle.
- 44. From September 18, 2002 to June 6, 2006, upon Respondent's recommendation, the following transactions occurred in MR4's account:
  - a. On September 18, 2002, the sale of MR4's Merrill Lynch BK US CD's, and on September 27, 2002, the purchased of three thousand six hundred (3600) shares of Nuveen Quality Preferred Income Fund II;

- b. On March 3, 2003, MR4 the sale of three thousand six hundred (3,600) shares of Nuveen Quality Preferred Income Fund II in the amount of sixty-three thousand dollars (\$63,000.00);
  - c. On March 31, 2003, the purchase of three thousand six hundred (3,600) shares of Nicholas Applegate Convertible Income fund for approximately fifty-four thousand, seven hundred two dollars and five cents (\$54,702.05);
  - d. On October 16, 2003, the purchase of three thousand five hundred and sixty one (3561) shares of Dreyfus Premier Core Equity Fund Class A in the amount of fifty thousand dollars (\$50,000.00);
  - e. On October 20, 2003, the sale of three thousand, seven hundred forty-nine (3,749) shares of Nicholas Applegate Convertible & Income Fund in the amount of fifty-seven thousand, three hundred eighty-one dollars and fifty eight cents (\$57,381.58);
  - f. On July 27, 2004, liquidation Dreyfus Premier Core Equity Fund Class A in the amount of forty-nine thousand, sixty-one dollars and forty-nine cents (\$49,061.49);
  - g. On July 29, 2004, the sale of twenty-nine (29) shares of Nicholas Applegate Convertible & Income fund in the amount of four hundred four dollars and seventy-two cents (\$404.72);
  - h. On July 29, 2004, the purchase of three thousand (3000) shares of Pioneer High Income Trust in the amount of forty-seven thousand, four hundred eighty seven dollars and fifty-five cents (47,487.55);
  - i. On September 22, 2004, the sale of three thousand (3000) shares of Pioneer High Income Trust in the amount of forty-eight thousand, nine hundred ninety-nine dollars and thirteen cents (\$48,999.13);
  - j. On September 30, 2004, the purchase of one thousand nine hundred and sixty (1,960) shares of Kayne Respondent MLP Investment Company in the amount of forty-nine thousand dollars (\$49,000.00);
  - k. On October 14, 2004, the sale of one thousand nine hundred and sixty (1960) shares of Kayne Anderson MLP Investment Company in the amount of forty-eight thousand, nine hundred sixty-one dollars and forty cents (\$48,961.40);
  - l. On October 29, 2004, the purchase of two thousand two hundred and fifty (2250) shares of Eaton Vance Enhanced Equity Income in the amount of forty-five thousand dollars (\$45,000.00);
  - m. On July 29, 2005, the sale of two thousand two hundred and sixty five (2265) shares of Eaton Vance Enhanced Equity Income in the amount of forty-nine thousand, nine hundred fifty dollars (\$49,950.00);
  - n. On July 29, 2005, the purchase of three thousand two hundred and thirty (3230) shares of Lord Abbett America's Value in the amount of forty-three thousand, five dollars (\$43,005.00).
45. The transactions in MR4's account resulted in gross commissions of fourteen thousand, seven hundred thirty-seven dollars and forty- one cents (\$14,737.41).
46. The Securities Division alleges the above transactions were not customer-driven transactions and were not in the best interest of MR4, and that Respondent failed to provide sufficient information regarding transactions in MR4's account to MR4, MR4's daughter or son-in-law who assisted MR4 with her account at UBS.

#### **1. Arbitration Award**

47. On March 12, 2007, Respondent's former employing firm Merrill Lynch, Pierce, Fenner & Smith Incorporated, ("Merrill") was found liable by an arbitration panel where Respondent was the agent of record for the claimants in this matter. The claimants alleged, among other things, that their portfolio was excessively traded and unsuitable. Given their retirement plans and financial objective, Merrill was found liable for two hundred sixty-one thousand, six hundred fifty dollars (\$261,650.00) in compensatory damages, ten thousand dollars (\$10,000.00) in cost to claimants and twenty-nine thousand, eight hundred twenty dollars (\$29,820.00) in attorney fees to claimants.

### **II. CONCLUSIONS OF LAW**

48. 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 the 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 409.1 et seq. RSMo. (Cum. Supp. 2007).

### **ORDER**

**NOW, THEREFORE**, it is hereby Ordered that:

1. Respondent Robert T. Anderson's registration is hereby CENSURED;
2. Respondent Robert T. Anderson will be placed on special supervision for a period of two (2) years and will be required to, among other things, have all trades and new accounts forms pre-approved by a branch manager;
3. For a period of five (5) years, Respondent Robert T. Anderson is prohibited from:
  - a. selling variable annuities and closed-end management company shares for an individual over the age of sixty-five (65);
  - b. selling equity-indexed annuities; or
  - c. serving as a supervisor;
4. Respondent is ordered to disgorge eight thousand two hundred sixty six dollars and fifty-one cents (\$8,266.51) for the commissions received by Respondent for the closed-end fund sales to the Missouri residents identified in Exhibit 1. This money shall be sent to the Securities Division and made payable to the Missouri Investor Restitution Fund and will be distributed by that fund to the investors in the amounts as identified in Exhibit 1;
5. Respondent shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of eight thousand dollars (\$8,000.00) immediately upon the effective date of this Order. This amount shall be sent to the Securities Division and the Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund;
6. 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 16TH DAY OF SEPTEMBER, 2008.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

Consented to by:

Mary S. Hosmer  
Assistant Commissioner of Securities  
Missouri Securities Division

Robert T. Anderson

Approved as to form

John R. Short  
Attorney for Respondent

1 See <http://www.finra.org/InvestorInformation/InvestorAlerts/AnnuitiesandInsurance/VariableAnnuitiesBeyondtheHardSell/P005976>.

2 Joint SEC/NASD staff *Report on Examination Findings Regarding Broker-Dealer Sales of Variable Insurance Products*, June 9, 2004, Office of Compliance Inspections and Examinations, United States Securities and Exchange Commission.