

State of Missouri
Office of Secretary of State

Case No. AP-09-36

IN THE MATTER OF:

PARAMOUNT FINANCIAL LLC (CRD #113500)

Respondent.

Serve Paramount Financial LLC
11600 Manchester Road, Suite 100
St. Louis, Missouri 63131

CONSENT ORDER

I. SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division ("Securities Division") alleges that Paramount Financial LLC ("Paramount") transacted business as an unregistered investment adviser and employed or associated with unregistered investment adviser representatives in the State of Missouri in violation of Sections 409.4-403(a) and (d), RSMo. (Cum. Supp. 2008).
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondent's alleged activities.

II. CONSENT TO JURISDICTION

3. Respondent and the Securities Division stipulate and agree that the Commissioner has jurisdiction over Respondent and these matters pursuant to Chapter 409, RSMo. (Cum. Supp. 2008).
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. 2008), which provides:

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

III. WAIVER AND EXCEPTION

5. Respondent waives its rights 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.

IV. CONSENT TO COMMISSIONER'S ORDER

7. 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.
8. Respondent consents to the Commissioner's Findings of Fact and Conclusions of Law as set forth below solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.
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 positions in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities is not a party.
10. Respondent agrees that Respondent is not the prevailing parties in this action since the parties have reached a good faith settlement.

COMMISSIONER'S FINDINGS OF FACT AND CONCLUSIONS OF LAW

11. Paramount is a Missouri limited liability company with an office address at 11600 Manchester Road, Suite 100, St. Louis, Missouri 63131. Paramount has an active status as a limited liability company with the Missouri Secretary of State's Corporations Division.

12. On September 20, 2001, Paramount filed a request for Missouri registration on Form ADV through the Investment Adviser Registration Depository System ("IARD").
13. On September 21, 2001, Paramount became registered in Missouri as an investment adviser with CRD number 113500.
14. From September 21, 2001 through December 31, 2008, Paramount was continuously registered as an investment adviser in Missouri.
15. On December 31, 2008, Paramount's registration in Missouri as an investment adviser was terminated for failure to renew its registration.
16. On February 24, 2009, Paramount filed a request for Missouri registration on Form ADV through the IARD System.
17. On April 14, 2009, Paramount became registered in Missouri as an investment adviser.
18. On April 28, 2009, Paramount's registration in Missouri as an investment adviser was terminated after it filed a request for withdrawal on Form ADV-W.
19. On July 21, 2009, Paramount filed a request for Missouri registration on Form ADV through the IARD System.
20. From January 1, 2009 to April 14, 2009, and from April 28, 2009 to date, Paramount was not registered to conduct investment advisory business in Missouri.
21. From January 1, 2009 to April 14, 2009, and from April 28, 2009 to date, Paramount employed unregistered investment adviser representatives.
22. Paramount violated Sections 409.4-403(a) and (d), RSMo. (Cum. Supp. 2008) when it transacted business as an unregistered investment adviser and employed or associated with unregistered investment adviser representatives in the State of Missouri.
23. 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 following Order is in the public interest and necessary for the protection of public investors and consistent with the provisions of Chapter 409.

Order

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent Paramount is prohibited from transacting business as an unregistered investment adviser pursuant to Section 409.4-403(a), RSMo. (Cum. Supp. 2008).
2. Respondent Paramount is prohibited from employing or associating with an investment adviser representative pursuant to Section 409.4-403(d), RSMo. (Cum. Supp. 2008), unless the investment adviser representative is registered or exempt from registration in the State of Missouri;
3. Respondent Paramount shall deliver a cashiers check to the Securities Division in the amount of three thousand dollars (\$3,000) made payable to the Missouri Secretary of State's Investor Education and Protection Fund. This amount shall be due and payable within fifteen (15) business days from the date this Consent Order is executed;
4. In addition, Respondent Paramount shall deliver an additional cashiers check to the Securities Division for costs of investigation in the amount of five hundred ninety-five dollars (\$595.00) made payable to the Missouri Secretary of State's Investor Education and Protection Fund. This amount shall be due and payable within fifteen (15) business days from the date this Consent Order is executed;
5. Respondent Paramount's current request for registration will be effective upon execution of this Order; and
6. 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 26TH DAY OF OCTOBER, 2009.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)

MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Katie D. Whitman
Chief Registration Counsel
Missouri Securities Division

Arthur Montgomery on behalf of
Paramount Financial LLC