IN THE MATTER OF:

PAUL E. BURKEMPER, CRD #2222925
ILYA VISHNEVETSKY,
I.P. HOLDING, L.L.C., AND
VSR FINANCIAL SERVICES, INC.,
CRD #14503,
Respondents.

CONSENT ORDER AS TO RESPONDENT VSR FINANCIAL SERVICES, INC.

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division ("Enforcement Section") alleges that Respondent VSR Financial Services, Inc. ("VSR"), failed to make, maintain, and preserve records relating to private securities transactions as required by Rules 17a-3 and 17a-4 under the Securities Exchange Act of 1934, as amended, and VSR's written supervisory procedures, in violation of Section 409.4-411(c)(1), RSMo. (Cum Supp. 2009), and Missouri Rules 15 CSR 30-51.120 and CSR 30-51.130.

2. VSR and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the alleged violations by VSR.

CONSENT TO JURISDICTION

3. VSR and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over VSR and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, et seq.

4. VSR and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum Supp. 2009), 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. VSR waives its right to a hearing with respect to this matter.

6. VSR waives any right that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. VSR 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. VSR 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. VSR 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. VSR 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 VSR's (a) testimonial obligations; (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. VSR agrees that VSR is not the prevailing party in this action since the parties have reached a good faith settlement.

11. VSR 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. Paul E. Burkemper ("Burkemper"), was a Missouri-registered agent with VSR from May 2004 to August 2009. Burkemper was a Missouri-registered agent of National Planning Corporation ("NPC") from October 1, 2009, through August 17, 2010. Burkemper was registered in Missouri through the Central Registration Depository System ("CRD") with CRD number 2222925. Burkemper conducted business at 10825 Watson Road Suite 100, St. Louis, Missouri 63127.

13. I.P. Holding, L.L.C. ("IP Holding") is a Missouri Limited Liability Company organized by Burkemper and Ilya Vishnevetsky ("Vishnevetsky") on May 9, 2006, to form "an investment and consulting firm."

14. Vishnevetsky is an individual with a last known address of 411 Westwood Apartment 1, St. Louis, Missouri 63105. Vishnevetsky is not registered through the CRD.

15. VSR is a Missouri-registered broker-dealer with an address of 8620 W 110th Street 200, Overland Park, Kansas 66210-9651. VSR is registered in Missouri through the CRD and has CRD number 14503.

16. The Enforcement Section investigation revealed that between August 2006 and March 2008, Burkemper, through IP Holding, sold investments in a Russian Vodka Stand Venture ("Vodka Stand Venture") to at least eleven (11) individuals. These individuals invested a total of one million nine hundred thousand dollars ($1,900,000) in this venture.

17. A check of the records maintained by the Missouri Commissioner of Securities confirmed that there was no registration or notice filing indicating status as a federal covered security for the investments offered by Burkemper, Vishnevetsky and/or IP Holding.

18. At least two (2) of the eleven (11) investors in the Vodka Stand Venture were Burkemper's customers at VSR.

19. The Enforcement Section review revealed that on or about May 3, 2008, Burkemper answered affirmatively in response to the question "Have you engaged in any private securities transactions?" This question was part of the VSR Compliance Questionnaire directed to Burkemper.

20. The review by the Enforcement Section further revealed that VSR was unable to produce records reflecting the nature of the transaction, Burkemper's role in the transaction, whether Burkemper received selling compensation in the transaction, and VSR's approval, disapproval or written acknowledgement of such transaction as required by Financial Industry Regulatory Authority ("FINRA") Rule 3040 and Missouri Rule 15 CSR 30-51.170(1)(BB).

21. VSR has enhanced its compliance and supervisory procedures, as well as the ability to implement those procedures since the review period. The enhancements include the following:

   a. the hiring of a new Chief Compliance Officer with experience in the operation, regulation, examination and supervision of registered representatives and branch offices, including extensive experience as a senior compliance examiner with the NASD;
   c. revision of VSR's Branch Office Compliance Pre-Examination Checklist and Branch Office Exam;
   d. revision and expansion of email search terms in connection with VSR's lexicon-based email review system; and
   e. increased dissemination of "Compliance Minutes" to VSR's associated persons regarding legal and regulatory developments, the associated person's professional responsibilities and other compliance-related issues relating to the conduct of the associated person's business.

II. CONCLUSIONS OF LAW

22. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that: (a) the Commissioner has jurisdiction over this Respondent and this matter; (b) Respondent failed to make, maintain, and preserve records relating to private securities transactions as required by Rules 17a-3 and 17a-4 under the Securities Exchange Act of 1934, as amended, and Respondent's written procedures, violating Section 409.411 (c)(1), RSMo. (Cum. Supp. 2009), and Missouri Rules CSR 30-51.120 and CSR 30-51.130; and (c) 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. Suppl. 2009).
III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent VSR’s registration is hereby CENSURED;

2. Respondent VSR is ordered to pay fifty thousand dollars ($50,000) to the Missouri Secretary of State’s Investor Education and Protection Fund. Respondent VSR shall send this amount to the Enforcement Section at 600 W. Main Street, Jefferson City, Missouri 65101, and said check shall be made payable to the Missouri Secretary of State’s Investor Education and Protection Fund. Respondent VSR shall send this amount within ten (10) days of the effective date of this Consent Order;

3. Respondent VSR is ordered to pay five thousand four hundred seventy dollars ($5,470) as the cost of this investigation. This amount shall be sent within ten (10) days of the effective date of this Consent Order to the Enforcement Section 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; and

4. Respondent VSR 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 1ST DAY OF DECEMBER, 2011.

ROBIN CARNAHAN
SECRETARY OF STATE

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

Consented to by:
THE ENFORCEMENT SECTION OF THE MISSOURI SECURITIES DIVISION

_____________________________
Mary S. Hosmer
Assistant Commissioner

VSR FINANCIAL SERVICES, INC.
Name _____________________________
Title _____________________________

Approved as to Form:

_____________________________
Jeffrey J. Kalinowski
Attorney for Respondent VSR