

State of Missouri  
Office of Secretary of State

Case No. AP-05-44

IN THE MATTER OF:

R.M. Duncan Securities, Inc. CRD #14344  
501 N. University, Suite 101  
Little Rock, AR 72205

Stephen Murchison, CRD #1686750  
501 N. University, Suite 101  
Little Rock, AR 72205

Respondents.

**CONSENT ORDER**

1. The Missouri Securities Division alleges that Stephen Murchison, ("Murchison") engaged in unregistered activity and that this constitutes grounds for discipline pursuant to Section 409.4-402(a), RSMo Cum. Supp. 2004, and R.M. Duncan Securities, Inc., ("RM Duncan"), employed an unregistered agent in violation of 409.4-402(d), RSMo Cum. Supp. 2004.
2. The Missouri Securities Division alleges that RM Duncan failed to supervise Murchison and that this constitutes grounds for discipline pursuant to 15 CSR 30-51.171.
3. As referred to in this Consent Order RM Duncan and Murchison shall be defined as "Respondents."
4. Respondents desire to settle the allegations and the matters raised by the staff of the Securities Division relating to Respondents' alleged violation of Missouri Securities Laws.
5. Respondents and the Securities Division consent to the issuance of the Consent Order.
6. Respondents, without admitting nor denying they violated Missouri law, engaged in unregistered activity constituting grounds for discipline pursuant to Section 409.4-402, RSMo Cum. Supp. 2004, thereby 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.
7. Respondents waive their right to a hearing with respect to this matter.
8. Respondents stipulate and agree that they waive any rights they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Further, Respondents specifically forever release and hold 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.
9. Respondents stipulate and agree that, should the facts contained herein prove to be false or incomplete, the Missouri Division of Securities preserves the right to pursue any and all legal or administrative remedies at its disposal.

**STIPULATIONS OF FACT**

10. RM Duncan is an Arkansas corporation whose address is 501 North University, Suite 101, Little Rock, AR 72205.
11. Murchison is an Arkansas resident whose business address is 501 North University, Suite 101, Little Rock, AR 72205.
12. RM Duncan is a broker-dealer conducting business in various states and registered in Missouri.
13. Murchison is an agent representing RM Duncan.
14. On January 12, 2005, RM Duncan filed a Uniform Application for Securities Industry Registration or Transfer (Form U4) through the Central Registration Depository System requesting Missouri agent registration for Murchison.
15. During Murchison's agent application process, RM Duncan submitted correspondence on July 7, 2005, that described a securities agent relationship between Murchison and three Missouri residents.
16. On November 8, 2005, Respondent submitted additional correspondence that described a securities agent relationship between Murchison and six Missouri residents.
17. Murchison has acted as an unregistered agent in Missouri from January 12, 2005, to date.

18. RM Duncan failed to supervise Murchison by allowing him to engage in activities as an unregistered agent.

### **LAWS & ANALYSIS**

19. Section 409.4-402(a), RSMo Cum. Supp. 2004, states that it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration under subsection (b).
20. Murchison transacted business in Missouri despite not being registered as agent nor qualifying for an exemption to registration.
21. Section 409.4-402(d), RSMo Cum. Supp. 2004, states that is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).
22. RM Duncan engaged in the securities business through an agent who was not registered or exempt from registration.
23. 15 CSR 30-51.171 requires reasonable supervision by broker-dealers
24. RM Duncan failed to supervise Murchison by allowing him to engage in activities as an unregistered agent.

### **JURISDICTIONAL BASIS**

25. Respondents and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to the Missouri Securities Act, Chapter 409, et al.
26. Respondents and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.6-604(h), RSMo Cum. Supp. 2004, which provides:
  1. The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

### **ORDER**

**WHEREAS**, the Commissioner, after consideration of the stipulation set forth above and on consent of the Respondents and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of the Missouri Securities Act.

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

1. Respondents are prohibited from conducting business as an agent and employing agents pursuant to Section 409.4-402, RSMo Cum. Supp. 2004 until becoming registered in the State of Missouri.
2. Respondents agree to reasonable supervisory procedures as outlined in MO 15 CSR 30-51.171.
3. Respondents shall pay \$5,000 to the Missouri Secretary of State's Investor Education and Protection Fund. Such amount shall be immediately due and payable.
4. Respondents shall pay their 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 28<sup>TH</sup> DAY OF DECEMBER, 2005.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
DAVID B. COSGROVE  
COMMISSIONER OF SECURITIES

Consented to by:  
Philip Toben  
Chief Registration Counsel  
Missouri Division of Securities

R.M. Duncan Securities, Inc.  
by:

Randall M. Duncan  
President

and

Stephen B. Murchison