

State of Missouri
Office of Secretary of State

Case No. AP-07-39

IN THE MATTER OF:

BRANDON LEROY STUERKE,
CRD No. 4582244; and
GUARDIAN FINANCIAL GROUP,

Respondents.

Serve both at:

809 Stratford Drive
Columbia, Missouri 65203

**ORDER TO CEASE AND DESIST AND TO SHOW CAUSE WHY CIVIL PENALTIES
AND COSTS SHOULD NOT BE IMPOSED**

On July 11, 2007, the Enforcement Section of the Securities Division, by and through Lori J. Neidel, Chief Enforcement Counsel, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not be Imposed. After reviewing the petition, the Commissioner issues the following Findings of Fact, Conclusions of Law, and Order:

I. FINDINGS OF FACT

1. Leroy Brandon Stuerke ("Stuerke") was a Missouri securities agent registered through the Central Registration Depository System ("CRD") with CRD #4582244, and with ING Financial Partners (CRD #2882), until February 7, 2007. Stuerke has an address of 809 Stratford Dr., Columbia, Missouri 65203.
2. Guardian Financial Group LLC ("Guardian") is a Missouri limited liability company owned by Stuerke and has an address of 1667 Bagnell Dam Blvd., Lake Ozark, Missouri 65049.
3. Jared Mikel Cameron ("Cameron") was an associate of Stuerke's and held himself out as being associated with Guardian. Cameron received a Missouri insurance license on February 28, 2007. Cameron has a last known address of 809 Stratford Dr., Columbia, Missouri 65203.
4. As used herein, the term "Respondents" refer to Stuerke and Guardian.
5. In December 2006, a Missouri resident ("MR1") contacted the Missouri Division of Securities regarding a seminar and dinner that MR1 attended in November 2006, in Moberly, Missouri. MR1 sent the Division the following information:
 - a. A business card identifying Cameron with Guardian Financial Group and listing him as a "Financial Advisor." Cameron's email address on the card was "jared@yourfinancialguardian.com" and also had "Senior Retirement Specialist" printed on the card;
 - b. A flyer that MR1 received prior to the presentation that stated, among other things:

"Seeing is Believing . . . Earn a guaranteed 13.9% one year return. Everyone in attendance will be shown where to get this powerful return!"

"Four Critical Financial Strategies (emphasis in the original) Presented by Jared Cameron with Guardian Financial Group . . . Four Critical Financial Strategies will be presented by Jared Cameron. Jared has comprehensive knowledge of personal retirement issues. You can rest assured that you have never heard anything like this eye opening & informative financial opportunity covering vehicles for growth, valuable insights, and so much more. \$100 billion [sic] has already benefited from this powerful concept nationwide.

Mr. Cameron will teach the following topics:

- How to grow in a volatile stock market without giving back your gains
- How to increase your after-tax income (Emphasis in the original)
- How to avoid costly and drawn out probate, quickly transferring dollars to your children upon death
- How to take advantage of an automatic strategy indicating when to buy and when to sell'

- c. Furthermore, this flyer included the insignia and words "Member of CSA" (Certified Senior Advisor) and a second insignia with the words "Guardian Financial Group."
 6. MR1 did not make an appointment to visit with Stuerke or Cameron.
 7. In late March or early April 2007, a Missouri resident ("MR2") received an invitation in the mail inviting MR2 to attend a dinner seminar sponsored by Guardian. The invitation read, in part:
 - a. "Learn About the TEN BIGGEST FINANCIAL MISTAKES That Seniors Make"
 - b. "These mistakes can rob you of your life savings, bankrupt your children, be the cause of family divorce and leave a real mess for other to contend with! And it's all avoidable!"
 - c. During this event, we will address the following concerns:
 - IRA/401k's: If you believe that your beneficiaries will inherit 100% of your IRA or 401k---You're Mistaken.
 - Learn how to protect your investments from the next terrorist attack, national disaster or financial scandal.
 - Wall Street: Stocks, Bonds, Mutual Funds—Tired of losing money? Learn how to invest in the stock market without risk to your principle. Retirees are doing this in record numbers! (Emphasis in original.)
- The invitation included the emblem of "Certified Senior Advisor (CSA)."
8. In April 2007, a Missouri resident "MR3" attended the dinner seminar at the Lake of the Ozarks. MR3 received a booklet titled "Retirement Protection Workshop" which included the statement, "Protecting your 'Camelot' from the Financial Dragons." The booklet included a photo of Stuerke on the first page under the title, "GUARDIAN Financial Group—Serving Missouri's Seniors." (Emphasis in original.) The words, "Approved Financial Advisor" appeared under Stuerke's photo and name.
 9. Stuerke provided the seminar attendees with literature and a CD that contained information on such topics as wills, living trusts, managing you estate, Medicaid planning and one pamphlet titled, "CSA . . . You Deserve Professional Senior Advice."
 10. Stuerke also provided dinner guests with a 4-page Guardian flyer. The flyer included a "BIO" (emphasis in original) that described Stuerke's education and included the emblem of the National Ethics Bureau and the words "Approved Financial Advisor" under Stuerke's photo.
 11. The CD distributed by Stuerke to the seminar attendees included, among other statements, the following:
 - a. the CD was developed as part of Rick Star's program about Senior Concerns;
 - b. that Brandon Stuerke, a Certified Senior Advisor, was an expert on senior financial issues and works exclusively in the senior market;
 - c. Stuerke has worked in the area of senior financial planning for many years and has conducted hundreds of senior seminars; and
 - d. "financial planning for retirees is all I do."
 12. During the last part of April and early May of 2007, MR3 scheduled an appointment to meet with Stuerke. During the April meeting MR3 gave Stuerke a copy of MR3's list of investments in MR3's portfolio.
 13. Stuerke met with MR3 on May 9, 2007, at Stuerke's office in Lake Ozarks. Stuerke presented MR3 with a binder with the words "Personal Financial Evaluation for [MR3]."
 14. This Personal Financial Evaluation had MR3's name, the date and the words "prepared by Brandon Stuerke, CSA" on the cover.
 15. Among other things, contained in this Personal Financial Evaluation was an "Asset Tracking Sheet" which listed the assets that MR3 provided Stuerke at their first meeting. The Asset Tracking Sheet listed each of MR3's assets and contained "recommendations." Those recommendations were either to "keep" or "reposition" MR3's current assets. Stuerke's recommended that MR3 "reposition" all of the stock holdings.
 16. Prior to his termination on February 7, 2007, Stuerke did not seek or obtain ING Financial Partners' approval for the advertising used for the seminars where securities related matters were discussed.
 17. Stuerke did not disclose that Cameron was an unregistered individual in the advertisement of the seminars or during the seminar presentations when securities were discussed.
 18. An investigator with the Missouri Department of Insurance, Financial Institutions and Professional Registration and their Senior

Counsel met with Stuerke and Cameron at their offices on March 27, 2007. Their conversation was recorded and transcribed. When questioned about the business card Cameron was using and distributing prior to the seminar that MR1 attended, Stuerke admitted he knew Cameron's business card identified Cameron as a financial adviser with Guardian even though Cameron was not registered.

19. On February 13, 2007, the Division sent a letter of inquiry to ING Financial Partners that requested information and documentation pertaining to Stuerke. In response to the Division's question as to why ING terminated its relationship with Stuerke, ING responded:

"Based on (1) Mr. Stuerke's failure to obtain prior review and approval for his seminar invitations, seminar handouts, and seminar presentation; (2) his use of an unapproved email address; (3) his discussions about an unapproved equity indexed annuity during the seminar; and (4) the co-presentation of a seminar with an unregistered individual who held himself out as a "financial advisor" and "senior retirement specialist," the firm decided to terminate his NASD registration."

20. A check of the records maintained by the Missouri Commissioner of Securities indicates that Stuerke is not registered in the State of Missouri as an investment adviser representative and has not been a registered agent of a broker-dealer in the State of Missouri since he was discharged by ING on February 7, 2007.
21. A check of the records maintained by the Missouri Commissioner of Securities indicates that Guardian has never been registered as an investment adviser in the State of Missouri.
22. A check of the records maintained by the Missouri Commissioner of Securities indicates that Cameron has never been registered as an investment adviser representative or as a registered agent of a broker-dealer in Missouri.
23. A check of the records with the Missouri Department of Insurance, Financial Institutions and Professional Registration indicates Cameron did not have an insurance license until February 8, 2007, after the seminar that MR1 attended where Cameron was a presenter and held himself out as being associated with Guardian.
24. In connection with the offering of investment advice or to effectuate a purchase or sale of a security to MR3, Stuerke omitted to state the following material facts necessary in order to make the statements made in the light of the circumstances under which they were made not misleading:
- a. He was not registered to transact business in Missouri as an investment adviser representative when he presented MR3 with her Personal Financial Evaluation;
 - b. ING Financial Partners terminated him because of his numerous violations of firm policies; and
 - c. He was allowing Cameron to hold himself out as a financial adviser when he knew Cameron was not registered to offer or sell securities, or to give investment advice, in the State of Missouri.
25. An order is in the public interest and consistent with the purposes intended by this act. See Section 409.6-605(b), RSMo. (Cum. Supp. 2006).

II. STATUTORY PROVISIONS

26. Section 409.6-604(a), RSMo. (Cum. Supp. 2006), provides as follows:

If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act . . . the commissioner may:

- (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act . . .

27. Section 409.5-501, RSMo. (Cum. Supp. 2006), provides that:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

- (1) To employ a device, scheme, or artifice to defraud;
- (2) To make an untrue statement of a material fact or to omit state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or
- (3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

28. Section 409.4-402, RSMo. (Cum. Supp. 2006), provides in part that it is unlawful for an individual to transact business in this state as an agent unless the individual is registered as an agent or is exempt from registration.

29. Section 409.1-102(19), RSMo. (Cum. Supp. 2006), defines “offer” or “offer to sell” to include, “every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.”
30. Section 409.1-102(15), RSMo. (Cum. Supp. 2006), defines "investment adviser" as “a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation.”
31. Section 409.1-102(16), RSMo. (Cum. Supp. 2006), defines “investment adviser representative” to mean “an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice”
32. Section 409.4-403(a), RSMo. (Cum. Supp. 2006), provides it is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this act as an investment adviser or is exempt from registration as an investment adviser.
33. Section 409.4-404(a), RSMo. (Cum. Supp. 2006), provides it is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this act as an investment adviser representative or is exempt from registration as an investment adviser.
34. Section 409.6-604(b), RSMo. (Cum. Supp. 2006), provides as follows:

An order under subsection (a) is effective on the date of issuance . . . [i]f a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final as to that person by operation of law.
35. Section 409.6-604(d), RSMo. (Cum. Supp. 2006), provides that, “In a final order under subsection (c), the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation.”
36. Section 409.6-604(e), RSMo. (Cum. Supp. 2006), provides that, “In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act . . . [t]hese funds may be paid into the investor education and protection fund.”
37. The Missouri Commissioner of Securities is empowered to issue such orders as he may deem just pursuant to section 409.6-604(a), RSMo. (Cum. Supp. 2006).

III. CONCLUSIONS OF LAW

Respondent Stuerke’s Violation of Transacting Business as an Unregistered Investment Adviser Representative

38. Paragraphs 1 through 37 are incorporated by reference as though fully set forth herein.
39. At all times relevant, records maintained by the Missouri Commissioner of Securities contained no registration or granted exemption as an investment adviser representative for Stuerke in the State of Missouri.
40. When Stuerke made the recommendations to MR3 to “reposition” MR3’s stocks in the Personal Financial Evaluation Stuerke prepared in May 2007, Stuerke was acting as an unregistered investment adviser representative in violation of Section 409.4-404, RSMo. (Cum. Supp. 2006).

Violation of acting as an Unregistered Investment Adviser

41. Paragraphs 1 through 37 are incorporated by reference as though fully set forth herein.
42. At all times relevant, records maintained by the Missouri Commissioner of Securities contained no registration or granted exemption for Guardian as an investment adviser in the State of Missouri.
43. Stuerke, an employee of Guardian and who provided MR3 with the Personal Evaluation recommending that MR3 “reposition” MR3’s stock holdings, was giving investment advice during the time Guardian was not registered as an investment adviser in violation of Section 409.4-403, RSMo. (Cum. Supp. 2006).

Multiple Violations of Omitting to State a Material Fact in

Connection with the Sale of a Security

44. Paragraphs 1 through 37 are incorporated by reference as though fully set forth herein.
45. Stuerke, in connection with the offer to purchase or sell securities, omitted to disclose the following material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading to MR2:
- a. He was not registered to transact business in Missouri as an agent or as an investment adviser representative when he presented MR3 with her Personal Financial Evaluation.
 - b. ING Financial Partners terminated him because of his numerous violations of firm policies; and
 - c. He was allowing Cameron to hold himself out as a financial adviser when he knew Cameron was not registered to offer or sell securities, or to give investment advice, in the State of Missouri.
46. Respondent Stuerke's actions in omitting to disclose material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading is a violation of Section 409.5-501(2), RSMo. (Cum Supp. 2006), and constitutes an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum Supp. 2006).

ORDER

NOW, THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order, are prohibited from:

- a. attempting to effectuate the purchasing, or selling of securities while unregistered;
- b. transacting business as an investment adviser representative;
- c. transacting business as an investment adviser; and
- d. in connection with the offer or sale of securities, omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum Supp. 2006), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to one thousand dollars (\$1,000) against Respondent Stuerke for violation of Section 409.4-404, RSMo. (Cum Supp. 2006), in a final order, unless Respondent Stuerke requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum Supp. 2006), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to one thousand dollars (\$1,000) against Respondent Stuerke for violation of Section 409.5-501(2), RSMo. (Cum Supp. 2006), in a final order, unless Respondent Stuerke requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an award for the costs of the investigation against Respondents in this proceeding, the Commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum Supp. 2006), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made to the agency.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 24TH DAY OF JULY, 2007.

State of Missouri
Office of Secretary of State

Case No. AP-07-39

IN THE MATTER OF:

BRANDON LEROY STUERKE,
CRD No. 4582244; and
GUARDIAN FINANCIAL GROUP,

Respondents.

ROBIN CARNAHAN
SECRETARY OF STATE

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

Serve both at:

809 Stratford Drive
Columbia, Missouri 65203

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to § 409.6-604(b), RSMo Supp. 2005, and 15 CSR 30-55.020.

A request for a hearing must be mailed or delivered, in writing, to:

**Matthew Kitzi
Commissioner of Securities
Office of the Secretary of State
Missouri State Information Center
600 West Main Street, Room 229
Jefferson City, Missouri, 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of July, 2007, a copy of the foregoing Order filed in the above styled case was mailed certified U.S. Mail, postage prepaid to the below listed addresses.

Brandon Leroy Stuerke
809 Stratford Drive
Columbia, MO 65203

Guardian Financial Group
809 Stratford Drive
Columbia, Missouri 65203

And by hand delivery to:

Lori J. Neidel
Chief Enforcement Council
Missouri Securities Division

John Hale, Specialist