

State of Missouri
Office of Secretary of State

Case No. AP-08-25

IN THE MATTER OF:

Woodbury Financial Services, Inc.
7755 Third Street North
Oakdale, MN 55128;

Respondent.

CONSENT ORDER

1. The Missouri Securities Division (the "Securities Division") alleges that Woodbury Financial Services, Inc. ("Woodbury"), while transacting business in the State of Missouri as a federal-covered investment adviser, engaged in activity in violation of the Missouri Securities Act of 2003.
2. Woodbury desires to settle the allegations and the matters raised by the Securities Division relating to Woodbury's activities.
3. Woodbury and the Securities Division consent to the issuance of this Consent Order (the "Order").
4. Woodbury stipulates and agrees to the issuance of this Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein. Woodbury waives its right to a hearing with respect to this matter.
5. Woodbury stipulates and agrees that it waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Further, Woodbury 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.
6. Woodbury stipulates and agrees 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.

STIPULATIONS OF FACT

7. Woodbury is a federal-covered investment adviser with a physical address of 7755 Third Street North, Oakdale, MN 55128.
8. Woodbury filed notice with the State of Missouri as required by Section 409.4-405, RSMo. (Cum. Supp. 2006), on October 30, 1998, and has maintained that filing.
9. Since at least October 1998, Woodbury, due to a technical filing error, associated with two unregistered investment adviser representatives. Both of these investment adviser representatives passed the Series 65 licensing examination which would have qualified them for registration with the State of Missouri but for Woodbury's technical filing error.
10. From October 1998 to date, Woodbury and two of its unregistered investment adviser representatives provided investment advisory services for around twenty Missouri customers. For these services, Woodbury and the two unregistered investment adviser representatives received \$10,844.85.
11. Neither Woodbury nor its two investment adviser representatives disclosed to Woodbury's clients that these two investment adviser representatives were not properly registered with the State of Missouri.
12. Immediately upon identifying the technical filing error, Woodbury notified the Missouri Securities Division of the error so that the necessary steps could be taken to properly register the two individuals as investment advisor representatives with the State of Missouri.

JURISDICTIONAL BASIS

13. Section 409.6-601(a), RSMo. (Cum. Supp. 2006), provides that the Securities Act of 2003 shall be administered by the commissioner of securities (the "Commissioner").
14. Section 409.6-604(a), RSMo. (Cum. Supp. 2006), provides that if the Commissioner determines that a person is engaging in an act, practice or course of business constituting a violation of the Securities Act, the Commissioner may issue an order directing the person to take action necessary or appropriate to comply with the Securities Act.
15. Section 409.6-604(h), RSMo. (Cum. Supp. 2006), provides that the Commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

CONCLUSIONS OF LAW

16. Woodbury violated the Missouri Securities Act of 2003 when it failed to disclose to clients that two of its investment adviser representatives were not registered in the State of Missouri.

ORDER

WHEREAS, the Commissioner, after consideration of the above and on the consent of Woodbury 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 Chapter 409, RSMo. (Cum. Supp. 2006).

NOW, THEREFORE, it is hereby Ordered that:

- A. Woodbury is prohibited from engaging in activity in the State of Missouri which would violate the Missouri Securities Act of 2003.
- B. Woodbury shall deliver a cashier's check to the Securities Division in the amount of six thousand dollars (\$6,000) made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Such amount shall be immediately due and payable.
- C. Woodbury 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 7TH DAY OF JANUARY, 2009.

ROBIN CARNAHAN
SECRETARY OF STATE

MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Nathan J. Soendker
Missouri Securities Division

Woodbury Financial Services, Inc.

Walter R. White
President