



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

MARK P. GOETZ, CRD # 1559358
21 Fox Ridge
Roslyn, New York 11576,

Respondent.

) Case No. AP-05-02
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CONSENT ORDER

1. The Missouri Securities Division alleges that Respondent made or caused to be made false or misleading statements in filings with the commissioner, specifically in connection with responses to questions in Form U-4 in the CRD System in violation of Section 409.5-505, RSMo Cumulative Supp. 2003 (hereafter "2003 Act") and in violation of 15 CSR 30-51.160(3).
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the staff of the Securities Division relating to the alleged violations by Respondent.
3. Respondent and the Securities Division consent to the issuance of this Consent Order and hereby stipulate that this Consent Order is in the public interest.
4. Respondent stipulates and agrees 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.
5. Respondent waives his right to a hearing with respect to this matter.

6. Respondent stipulates and agrees that Respondent waives any rights Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order and, further, 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.
7. Respondent stipulates that he has never received a complaint from any Missouri resident.
8. Respondent stipulates and agrees 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. The Securities Division stipulates and agrees that it will not take further action against Respondent based on information currently in the possession of the Division.

STIPULATIONS OF FACT

9. Respondent and the Securities Division stipulate and agree to the following Stipulations of Fact:
10. Respondent has a residential address of 21 Fox Ridge, Roslyn, New York 11576.
11. From June 11, 1996 to January 30, 2004, Respondent was a Missouri-registered agent of Continental Broker-Dealer Corp. ("Continental"), which, at the time was a Missouri-registered broker-dealer.
12. On January 30, 2004, Continental submitted a Uniform Termination Notice for Securities Industry Registration ("Form U-5") to the Central Registration Depository ("CRD") for agent number 1559358 and reported Respondent's voluntary termination from the firm.
13. On January 16, 2003, the Missouri Commissioner of Securities issued a Summary Order to Cease and Desist, Summary Order to Condition and Limit Broker-Dealer Registration, and Order to Show Cause why Civil Penalties should not be imposed against Continental. On June 24, 2004, the Missouri Commissioner of Securities issued a Final Order ordering Continental to cease and desist violations of the act, permanently barring Continental from registration and ordering Continental to pay civil penalties.
14. In April 2003, the enforcement section of the Missouri Securities Division filed a petition with the Commissioner seeking to revoke the registration of LH Ross & Company, Inc. ("L.H. Ross") in the State of Missouri. A Petition for Findings of Fact and Conclusions of Law regarding this matter was filed with the Administrative Hearing Commission on July 7, 2003.

15. On January 30, 2004, L.H. Ross filed a Uniform Application for Securities Industry Registration or Transfer (“Form U-4”) seeking to register Respondent as an agent in Missouri. This application became pending with Missouri Securities Division on February 3, 2004.
16. On February 3, 2004, the Missouri Commissioner of Securities issued a summary suspension of Respondent’s application.
17. On June 3, 2004, L.H. Ross submitted a Form U-5 to the CRD for agent number 1559358.
18. Question 14 of the Form U-4 requests information about customer complaints. This question states:
 - (1) Have you ever been named as a respondent/defendant in an *investment-related* consumer-initiated arbitration or civil litigation which alleged that you were *involved* in one or more *sales practice violations* and which:**
 - (a) is still pending, or;
 - (b) resulted in an arbitration award or civil judgment against you, regardless of amount, or;
 - (c) was settled for an amount of \$10,000 or more?
 - (2) Have you ever been the subject of an *investment-related*, consumer-initiated complaint, not otherwise reported under question 14I(1) above, which alleged that you were *involved* in one or more *sales practice violations*, and which complaint was settled for an amount of \$10,000 or more?**
 - (3) Within the past twenty four (24) months, have you been the subject of an *investment-related*, consumer-initiated written complaint, not otherwise reported under question 14I(1) or 14I(2) above, which:**
 - (a) alleged that you were *involved* in one or more *sales practice violations* and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the complaint must be reported unless the *firm* has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or;
 - (b) alleged that you were *involved* in forgery, theft, misappropriation or conversion of funds or securities? (Emphasis in original)
19. Each of these questions should be answered “YES” or “NO”. Any question with a “YES” response requires the filing of a Disclosure Reporting Page for each reportable event.
20. Pursuant to the instructions to Form U-4, an amendment to the application should be made as changes occur.

21. The Form U-4 page entitled, *Individual/ Applicant's Acknowledgment and Consent* states, in part, the following:

I agree to update this form by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported. Further, I represent that to the extent that any information previously submitted is not amended, the information provided in this form is currently accurate and complete.

22. The Form U-4 requires that prior to submission to the CRD System the applicant or applicant's agent must attest to the completeness and accuracy of the record.
23. A review of Respondent's record with the CRD System, however, revealed that Respondent received several complaints from investors while he was employed as a registered agent at Continental that were not timely reported to the CRD System and were not reported on his application for registration with L.H. Ross.

Complaint from Client 1

24. On October 1, 2002, Respondent, while employed with Continental, received a complaint from Client 1 that alleged Respondent made unsuitable recommendations and unauthorized transactions. Client 1 alleged compensatory damages of \$43,000.
25. On August 18, 2003, Respondent and Continental settled with Client 1 and agreed to pay Client 1 \$40,000.
26. On April 20, 2004, 18 months after receiving this complaint, Respondent filed an amendment to the Form U-4 and disclosed Client 1's complaint and settlement.

Complaint from Client 2

27. On August 8, 2003, Respondent, while employed with Continental, received a complaint from Client 2 that alleged Respondent made unsuitable recommendations. Client 2 alleged compensatory damages of \$48,600.
28. On April 24, 2004, over seven months after receiving this complaint, Respondent filed an amendment to the Form U-4 and disclosed Client 2's complaint.

Complaint from Client 3

29. On April 21, 2003, Respondent, while employed with Continental, received a complaint from Client 3 that alleged Respondent made misrepresentations regarding Client 3's over-the-counter stock transactions. Client 3 alleged compensatory damages of \$21,298.

30. On January 6, 2004, more than eight months after receiving the complaint, Respondent filed an amendment to the Form U-4 and disclosed Client 3's complaint.
31. This Order is in the public interest.

JURISDICTIONAL BASIS

32. Respondents and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to Chapter 409, et al. of the 2003 Securities Act.
33. 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), of the 2003 Act, which provides that 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 stipulations set forth above and on the consent of 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 Chapter 409, RSMo Cumulative Supp. 2003.

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent is censured;
2. Respondent is prohibited from applying for registration in the State of Missouri for a period of 5 years;
3. Respondent is Ordered to Cease and Desist from violating, or materially aiding others in the violation of Section 409.5-505, RSMo Cumulative Supp. 2003, by making or causing to be made false or misleading statements in filings with the commissioner, specifically in connection with responses to questions in Form U-4 in the CRD System;
4. Respondent is ordered to pay a civil penalty of \$15,000 made payable to the State of Missouri, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri;

5. Respondent will pay \$1,950 to the Missouri Investor Education and Protection Fund as the costs of this investigation;
6. Respondent shall pay this \$16,950 by paying \$5,000 upon the execution of this consent and he shall make month installments of \$500, such payments shall be due and payable on the first day of each month beginning on March 1, 2005 and continuing until this amount is paid in full. Collected funds shall first be paid into the Investor Education and Protection Fund until the balance of \$1,950 is paid in full, and then monthly payments shall be paid toward the civil penalty. If Respondent misses any payment the full amount remaining shall be immediately due and payable; and
7. Respondent will pay his 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 8th DAY OF February, 2005.



ROBIN CARNAHAN
SECRETARY OF STATE




DAVID B. COSGROVE
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION



Mary S. Hosmer
Assistant Commissioner for Enforcement



Mark P. Goetz, Respondent

Approved as to form:



Timothy Feil, Counsel for Respondent