



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
DEBBIE RULON, CRD No. 2300010,)
) Case No. AP-17-08
Respondent.)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement Sandra J. McDowell, has alleged that Debbie Sue Rulon (“Rulon” or “Respondent”) violated Sections 409.4-406(b) and 409.4-412(d)(1) RSMo. (Cum.Supp.2013)¹ by, among other things: (a) failing to promptly file correcting amendments to Uniform Application for Securities Industry Registration or Transfer Form (“U4”) applications when the information in the applications became inaccurate or incomplete in a material respect, and (b) failing to timely amend the Form U4 to disclose Outside Business Activities (“OBAs”) involving an elderly person. These violations constitute grounds to issues an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent’s alleged violations of Sections 409.4-406(b) and 409.4-412(d)(1).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

WAIVER AND EXCEPTION

5. Respondent waives Respondent's right to a hearing with respect to this matter.
6. Respondent waives any right that Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, 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 and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent 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. Respondent 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 Respondent's (a) testimonial obligations; (b) right to take legal or factual positions in connection with litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent 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. Rulon, was a Missouri-registered broker-dealer agent with Berthel, Fisher & Company Financial Services, Inc. from September 26, 2014, through December 9, 2015. Rulon is registered through Central Registration Depository ("CRD") with number 2300010 and has a last known residential address as 1209 Scott Drive, Liberty, Missouri 64068.

13. Rulon is a Missouri licensed insurance producer with Missouri Department of Insurance, Financial Institutions, and Professional Registration (“DIFP”) number 0141007.
14. Berthel, Fisher & Company Financial Services, Inc. (“Berthel”), CRD number 13609, is a Missouri-registered broker-dealer with an address of 701 Tama Street, Building B, Marion, Iowa 52302.
15. In or around 2012, Rulon began providing daily assistance to a ninety-two (92) year old elderly Missouri resident (“MR”) while MR was in a retirement village.
16. On or around July 26, 2012, a Durable Power of Attorney (“POA”) was signed by MR naming Rulon as POA.
17. On September 26, 2014, a Form U4 was filed for Rulon to be relicensed in Missouri with Berthel, and contained the following disclosures relating to OBAs: (1) AFC Wealth Management-Insurance, and (2) AFC Wealth Management.
18. On October 9, 2014, MR signed Berthel new brokerage account client forms, which included a Transfer on Death form and Transfer of Assets form. The Transfer on Death form indicated MR’s trust as the beneficiary of this account.
19. On October 14, 2014, Rulon signed a Berthel Compliance and Supervisory Procedures Manual Acknowledgement and Certification form acknowledging that Rulon had received and had internet access to the Compliance and Supervisory Manual (“Manual”) and would review the Manual at least annually. The Manual in effect when Rulon was hired stated, among other things, that:
 - a. Berthel registered representatives are required to disclose to Berthel, in writing, any outside business activities prior to engaging in such activity. This includes, but is not limited to, receiving other compensation for services rendered outside the scope of employment with Berthel; and
 - b. Berthel registered representatives may not act in a fiduciary capacity (e.g., trustee, executor) for a client’s account unless the account is for a relative of the registered representative.
20. On July 25, 2014, a First Bank signature card was signed by MR and Rulon. The card removed the title of trust and added Rulon as Payable on Death.
21. On March 30, 2015, an amendment was made to the [MR] Living Trust Dated April 4, 1990 (“MR Trust”). The amendment appointed Rulon as Co-Trustee of this Trust.
22. On May 12, 2015, a First Bank signature card was signed by MR and Rulon. The money market account was titled Debbie S Rulon Co-Trustees of the [MR] Living Trust DTD 04-04-90.

23. From September 26, 2014, through December 9, 2015, while Respondent was registered with Berthel, an amendment to correct or update Rulon's Form U4 as it pertained to Rulon's OBAs, POA, or trustee powers had not been filed.
24. On December 4, 2015, Rulon submitted a letter to Berthel resigning and/or terminating from the Berthel.
25. On January 6, 2016, the Missouri Securities Division Enforcement Section ("Enforcement Section") conducted an on-the-record statement of Rulon. At this time, Rulon was notified of an open investigation and was asked questions pertaining to Rulon's OBAs, POA, trustee powers and compensation received from MR.
26. On December 9, 2015, a Uniform Termination Notice for Securities Industry Registration ("Form U5") was filed for Rulon to reflect a voluntary termination from Berthel. Item 7A of the Form U5 indicated "No" when asked "[c]urrently is, or at termination was, the individual the subject of an investigation or proceeding by a domestic or foreign governmental body or self-regulatory organization with jurisdiction over investment-related businesses?"
27. From December 14, 2015, through January 12, 2016, during the time Rulon was termed from Berthel as a Missouri-registered broker-dealer agent, Rulon received and negotiated seven checks totaling \$4,400 from MR. Of these seven checks, five checks referenced the word "services" in the memo line.
28. On January 14, 2016, a non-registered fingerprint form ("Form NRF") was filed with CRD. The filing indicated Rulon's position with Berthel was a Non Registered Sales Assistant.
29. From January 15, 2016, through February 29, 2016, while Rulon was registered through Berthel as a Non-Registered Fingerprint person, Rulon received and negotiated nine checks totaling \$22,600 from MR. Of these nine checks, seven checks referenced the word "services" in the memo line.
30. On March 3, 2016, a Form NRF amendment was filed with CRD. The filing indicated Rulon was terminated as a NRF from Berthel.
31. From March 4, 2016, through May 2, 2016, Rulon was not registered in any capacity with Missouri. Rulon received and negotiated ten checks totaling \$7,700 from MR. Of these ten checks, five checks referenced the word "services" in the memo line.
32. In summary, from December 2013, to May 2016, there were approximately 150 checks, payable to Rulon, totaling in excess of \$98,309 from MR's First Bank and Commerce Bank account(s). Approximately 81 of these 150 checks payable to Rulon, totaling in excess of \$57,465, contained the word "services" in the memo line.

II. CONCLUSIONS OF LAW

33. The Commissioner finds Respondent failed to promptly file correcting amendments to Form U4 applications when the information in the applications became inaccurate or incomplete in a material respect, failed to timely amend Form U4 to disclose OBAs involving an elderly person and that this conduct constitutes grounds to discipline Respondent under Sections 409.4-406(b) and 409.4-412(d)(1).
34. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

35. Respondent, her agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from engaging in violations of Sections 409.4-406(b) of failing to promptly amend inaccurate or incomplete Form U4 applications. In addition, Respondent is CENSURED with regard to violating Section 409.4-412(d)(1) of failing to timely amend Form U4s to disclose OBAs.
36. Respondent shall pay \$15,000 to the Missouri Secretary of State's Investor Education and Protection Fund. Of this amount, \$5,000 shall be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act for a period of five (5) years from the date of execution of this Consent Order. The remaining \$10,000 shall be paid within ninety (90) days of the effective date of this Consent Order to the Securities Division 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. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund. The suspended amount shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction that Respondent has violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law.
37. Respondent shall pay \$5,000 as the cost of this investigation. This payment shall be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act for a period of five (5) years from the date of execution of this Consent Order. This suspended amount shall become due immediately

upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction that Respondent has violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law.

38. After five (5) years from the date of this Consent Order, provided Respondent has complied with all terms of this Consent Order, all suspended payments referenced in paragraphs 36 and 37 above shall be waived.
39. Respondent is hereby prohibited from applying as investment adviser representative or agent in Missouri, unless any such application is conditioned upon Respondent serving a probationary period of heightened supervision for one year.
40. Upon Respondent's failure to comply with the terms of this Consent Order, all remaining payments shall become immediately due and payable upon operation of law, and such immediately due payments shall be in addition to all other penalties then available under the law.
41. Respondent shall pay its own costs and attorney's fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,

MISSOURI THIS 30~~th~~ DAY OF May, 2017




JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, which appears to read "David M. Minnick". The signature is written in a cursive style.

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:

THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

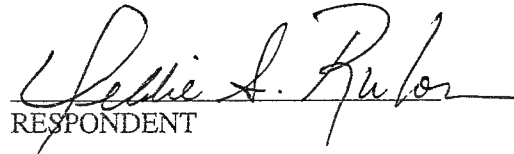


Sandra J. McDowell
Director of Enforcement

Approved as to Form:



David Marcus
Attorney for Respondent


RESPONDENT