



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
SAPPHIRE WEALTH PLANNING LLC,) Case No.: AP-22-12
CRD# 282779; and)
MELISSA J. ELLIS, CRD# 5605893,)
)
Respondents.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Securities Division**”), through Enforcement Counsel Steven M. Kretzer, alleges that from January 1, 2022 to July 31, 2022 (“**Relevant Period**”), Respondent Melissa J. Ellis (“**Ellis**”) of Sapphire Wealth Planning LLC (“**Sapphire**” or the “**Firm**”) transacted business as an investment adviser representative with Missouri-resident clients without being registered or exempt from registration in Missouri as an investment adviser representative, in violation of Section 409.4-404(a) of the Missouri Securities Act (the “**Act**”)¹. Further, as a result of the activities of Ellis with respect to Missouri clients, the Firm is alleged to have transacted business as an investment adviser without being registered or exempt from registration in Missouri, in violation of Section 409.4-403(a), and employed and/or associated with individuals who were required to be registered in Missouri, in violation of Section 409.4-403(d).
2. Respondents and the Securities Division desire to settle the allegations and the matter raised by the Securities Division relating to the alleged violations of Sections 409.4-403(a), 409.4-403(d) and 409.4-404(a).

CONSENT TO JURISDICTION

3. Respondents and the Securities Division stipulate and agree that the Missouri Commissioner of Securities (the “**Commissioner**”) has jurisdiction over Respondents and this matter pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*

¹ Unless otherwise indicated, all statutory citations refer to the 2016 edition of the Revised Statutes of Missouri updated by the 2021 Cumulative Supplement.

4. Respondents and the Securities Division 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.”

WAIVER AND EXCEPTION

5. Respondents waive any right to a hearing with respect to this matter.
6. Respondents waive any rights that they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Missouri Office of the Secretary of State, Secretary of State, the 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. Respondents stipulate and agree with the Securities Division that, should the facts contained herein prove to be false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO THE COMMISSIONER’S ORDER

8. Respondents and the Securities Division 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. Respondents agree 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 Respondents’ (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondents agree that they are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Securities Division or the Findings of the Commissioner, but consent 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.

THE COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Respondents

12. Ellis is a sixty-two-year-old resident of Mission, Kansas, and is registered in the Central Registration Depository (“**CRD**”) with number 5605893. Ellis is the founder, principal owner and chief compliance officer of Sapphire, and is associated with the Firm as a financial planner and an investment adviser representative. Ellis was registered in Missouri as an investment adviser representative from March 2009 to September 2014, with a previous employer, and from July 14, 2020 to December 31, 2021, with Sapphire.
13. Sapphire (dba Sapphire Divorce Planning Solutions) is a Kansas limited liability company and Kansas registered investment adviser formed in January 2016, with a current principal address at 11863 W. 112th Street, Suite 100, Overland Park, KS 66210. Sapphire is registered in CRD with number 282779 and is not a federal covered investment adviser. Sapphire was registered in Missouri as an investment adviser from April 27, 2017 through December 31, 2021.

B. Facts

14. On December 31, 2021, both Sapphire and Ellis were registered in Missouri as an investment adviser and an investment adviser representative, respectively.
15. At that same time, Sapphire and Ellis had established investment advisory relationships with thirteen separate and distinct retail client accounts, each of which was owned by a Missouri resident (the “**Missouri Accounts**”).
16. Ellis was the designated investment adviser representative on all thirteen Missouri Accounts.
17. As a result of insufficient funds in the Firm’s renewal account, the Missouri registrations for Sapphire and Ellis failed to renew for 2022 and were terminated.
18. During the Relevant Period, the Firm continued to transact business as an investment adviser and Ellis continued to transact business as an investment adviser representative with the Missouri Accounts, including earning compensation for transacting such businesses, despite no longer being registered or exempt from registration in Missouri.

C. Alleged Violations

19. As a result of the conduct described above, the Securities Division alleges that the failure by Ellis, during the Relevant Period, to register as an investment adviser representative in Missouri constitutes sufficient grounds to charge Ellis with violating Section 409.4-404(a) of the Act, which makes it unlawful for an individual to transact business in Missouri as an investment adviser representative unless the individual is registered or exempt from such registration under the Act.

20. The Securities Division also alleges that the failure by Sapphire, during the Relevant Period, to register as an investment adviser in Missouri constitutes sufficient grounds to charge Sapphire with violating Section 409.4-403(a) of the Act, which makes it unlawful for a person to transact business in Missouri as an investment adviser unless the person is registered or exempt from such registration under the Act.
21. The Securities Division further alleges that Sapphire's association with Ellis, during the Relevant Period, constitutes sufficient grounds to charge Sapphire with violating Section 409.4-403(d) of the Act, which makes it unlawful for an investment adviser to employ or associate with an individual required to be registered under the Act as an investment adviser representative who transacts business in Missouri on behalf of the investment adviser unless the individual is registered or exempt from such registration under the Act.

II. CONCLUSIONS OF LAW

22. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent Ellis transacted business in Missouri as an investment adviser representative, without being registered or exempt from such registration, in violation of Section 409.4-404(a) of the Act.
23. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent Sapphire transacted business in Missouri as an investment adviser, without being registered or exempt from such registration, in violation of Section 409.4-403(a) of the Act.
24. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent Sapphire employed or associated with Ellis, who was required to be registered under the Act as an investment adviser representative to transact business in Missouri on behalf of Sapphire, in violation of Section 409.4-403(d) of the Act.
25. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
26. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents in 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:

27. Respondent Ellis shall pay \$2,500 to the Missouri Secretary of State's Investor Education and Protection Fund for violating Section 409.4-404(a). **This amount is due upon execution of this Order and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund** and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;

28. Respondents Sapphire and Ellis, joint and several, shall pay \$5,000 to the Missouri Secretary of State's Investor Education and Protection Fund for a violation of Sections 409.4-403(a) and 409.4-403(d). **This amount is due upon execution of this Order and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund** and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
29. Respondents, their respective agents and employees, and all other persons participating in the above-described alleged violations with knowledge of this Order, are permanently enjoined and restrained from engaging in violations of Sections 409.4-403(a), 409.4-403(d) and 409.4-404(a); and
30. 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 23 DAY OF AUGUST, 2022.



JOHN R. ASHCROFT
SECRETARY OF STATE

DOUGLAS M. JACOBY
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

Steven M. Kretzer
Enforcement Counsel

RESPONDENTS

Sapphire Wealth Planning LLC, CRD #282779
Melissa J. Ellis, Owner/Manager

Melissa J. Ellis, CRD #5605893