



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
MICHAEL G. OTT, CRD #5131748, ) Case No. AP-16-08  
 )  
 Respondent. )

**CONSENT ORDER**

**SUMMARY OF THE SECURITIES DIVISION’S ALLEGATIONS**

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Enforcement Counsel Scott Snipkie, has alleged that Michael G. Ott (“Ott” or “Respondent”) violated Section 409.4-412, RSMo. (Cum. Supp. 2013)<sup>1</sup> by failing to timely amend Form U-4 to disclose Outside Business Activities (“OBAs”).
2. Respondent and the Division desire to settle the allegations and the matters raised by the Division relating to the Respondent’s alleged violations.

**CONSENT TO JURISDICTION**

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

---

<sup>1</sup> 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 rights to a hearing with respect to this matter.
6. Respondent waives any rights 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 Division that, should the facts contained herein prove to be false or incomplete, the Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the 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. 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 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. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent consents, without admitting or denying, 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. Ott, Central Registrations Depository ("CRD") number 5131748, was a Missouri-registered investment adviser representative and broker-dealer agent with AXA Advisors, LLC ("AXA"), CRD number 6627, from April 20, 2006 to February 1, 2016.
13. On January 4, 2009, Ott formed Summit Financial Partners, LLC by filing Articles of Organization with the Missouri Secretary of State's Office. The filing lists Ott as the registered agent and organizer.

14. AXA's Written Supervisory Procedures in place at the time Ott formed Summit Financial Partners, LLC directed Ott to "*disclose all outside business activities ("OBAs") to the Company.*" The procedure defined OBA as "*any work or business activity... whether or not compensation is received,*" and directed "*Associate(s)*" to report "*any business activity where the Associate acts as a 'proprietor, partner, officer, director, trustee, employee, agent or otherwise.'*" AXA's policy further directed associated persons to "*promptly update the OBA Form.*"
15. On April 21, 2009, Ott reported the OBA Summit Financial Partners, LLC to AXA, using AXA's internal OBA disclosure form. On AXA's internal OBA disclosure form, the Branch Manager signature block indicated that the Branch Manager approved the submission on May 13, 2009; however, neither AXA nor Ott executed an Amended U4 to disclosing this OBA until March 25, 2010.
16. On May 21, 2010, Summit Wealth Strategies, LLC was formed by filing Articles of Organization with the Missouri Secretary of State's Office. The filing lists Ott as the registered agent.
17. AXA's Written Supervisory Procedures in place at the time Ott formed Summit Wealth Strategies, LLC directed Ott to "*disclose all outside business activities ("OBAs") to the Company.*" The procedure defined OBA as "*any work or business activity... whether or not compensation is received,*" and directed "*Associate(s)*" to report "*any business activity where the Associate acts as a 'proprietor, partner, officer, director, trustee, employee, agent or otherwise.'*" AXA's policy further directed associated persons to "*promptly update the OBA Form.*"
18. On August 26, 2010, Ott reported to AXA, using AXA's internal OBA disclosure form, the OBA Summit Wealth Strategies, LLC. On AXA's internal OBA disclosure form, the Branch Manager signature block indicated that the Branch Manager approved the submission on August 31, 2010; however, neither AXA nor Ott executed an Amended U4 disclosing this until September 20, 2012.
19. Ott asserts that he reasonably relied upon AXA, to his detriment, for instruction for filing his Form U4 amendments, and that he filed with AXA all required internal documentation for same for OBAs.
20. Ott's record should have reflected an updated response to Question 13 of Form U-4 regarding Other Business within thirty days of engaging in each OBA documented above; however, neither he nor AXA executed such an update.

## II. CONCLUSIONS OF LAW

21. The Commissioner finds Respondent failed to timely amend Form U-4 to disclose OBAs, and that this conduct constitutes grounds to discipline Respondent pursuant to Section 409.4-412.

22. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Division, finds and concludes that the Commissioner has jurisdiction over Respondent 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, RSMo.

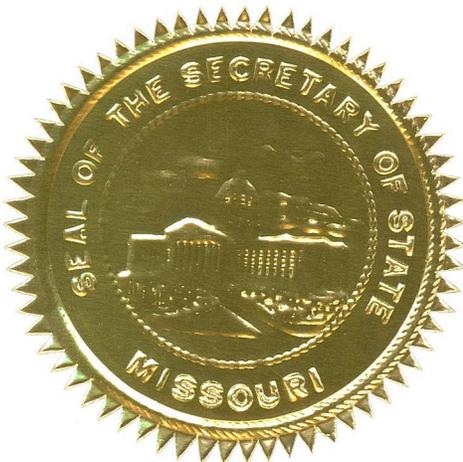
III. ORDER

**NOW, THEREFORE,** it is hereby Ordered that:

1. Respondent is ordered to pay \$1,000 to the Investor Education and Protection Fund for violations of the Missouri Securities Act. Such payment shall be sent within 30 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; and
2. Respondent shall pay his own costs and attorneys' fees with respect to this matter.
3. Upon Respondent's failure to comply with the terms of this Consent Order, Respondent shall be responsible for an additional payment of \$1,000 to the Investor Education and Protection Fund. Such additional payment shall be due within 30 days of discovery of Respondent's failure to comply with the terms of this Consent Order, and the payment shall be made in accordance with the terms of Paragraph 1 of Section III above.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 25TH DAY OF FEBRUARY, 2016.



JASON KANDER  
SECRETARY OF STATE

*Andrew M. Hartnett*

ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

*Scott Shipkie*  
Scott Shipkie  
Enforcement Counsel

RESPONDENT



Michael G. Ott

Approved as to Form:



Donald Mehan, Jr.  
Attorney for Respondent