



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
CENTRAL STATES CAPITAL MARKETS, LLC,) Case No. AP-16-67
CRD# 155291)
)
Respondent.)

CONSENT ORDER

SUMMARY OF THE SECURITIES DIVISION’S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Chief Counsel Tyler B. McCormick, has alleged that Central States Capital Markets, LLC (“Respondent”) transacted business in the State of Missouri without notice filing in violation of Section 409.4-405, RSMo (Cum. Supp. 2013)¹ and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Division desire to settle the allegations and the matters raised by the Division relating to the Respondent’s alleged violations of Section 409.4-405.

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.”

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 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 neither admits nor denies the allegations made by the Division, 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. Central States Capital Markets, LLC, Central Registration Depository number 155291, is a Kansas-based investment adviser with a main address of 4200 W. 83rd Street, Suite 101, Prairie Village, Kansas 66208.

13. From September 2011 through September 2015, Central States Capital Markets, LLC was registered as an investment adviser in Missouri.
14. In October 2016, Central States Capital Markets, LLC notice filed in Missouri as a federal covered investment adviser.
15. In November 2016, Central States Capital Markets, LLC sent an application to register as an investment adviser in Missouri, along with accompanying fees and documentation.
16. Central States Capital Markets, LLC disclosed to the Division that between September 2015 and October 2016, Central States Capital Markets, LLC had been transacting business in Missouri and had inadvertently failed to notice file.

II. CONCLUSIONS OF LAW

17. The Commissioner concludes that Respondent transacted business in this state without notice filing in violation of Section 409.4-405, and that this violation constitutes grounds to issue an order pursuant to Section 409.6-604.
18. 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, its 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 violating Section 409.4-405.
2. Respondent shall pay \$12,000 to the Missouri Secretary of State's Investor Education and Protection Fund. This amount 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.
3. Respondent 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 27 DAY OF December, 2016.



JASON KANDER
SECRETARY OF STATE

Handwritten signature of Jose S. Caldera in blue ink.

JOSE S. CALDERA
ACTING COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

Handwritten signature of Tyler B. McCormick in blue ink.

Tyler B. McCormick
Chief Counsel

RESPONDENT:

CENTRAL STATES CAPITAL MARKETS, LLC

BY:

Handwritten signature of J. Daniel Stepp in blue ink.

NAME:

J. DANIEL STEPP

TITLE:

MANAGING DIRECTOR/CEO