

State of Missouri  
Office of Secretary of State

Case No. AP-11-18

IN THE MATTER OF:

CAPITAL MANAGEMENT SERVICES, INC.,  
CRD No. 118260,

Respondent.

Serve CAPITAL MANAGEMENT SERVICES, INC.  
410 SOVEREIGN COURT, SUITE 14  
MANCHESTER, MISSOURI 63011

**Consent Order**

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division ("Enforcement Section") has alleged that Capital Management Services, Inc. ("Respondent"), has associated with an unregistered investment adviser representative and that this constitutes grounds to discipline Respondent pursuant to Section 409.4-412(d)(9), RSMo. (Cum. Supp. 2009).
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 association with an unregistered investment adviser representative.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the 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), RSMo. (Cum. Supp. 2009), 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. Respondent waives his right to a hearing with respect to this matter.
6. Respondent waives any right that he 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 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 and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, 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 position in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities 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. Respondent is a Missouri-registered investment adviser with a last known address of 410 Sovereign Court, Suite 14, Manchester, Missouri 63011. Respondent is registered with the Central Registration Depository System ("CRD") with number 118260.
13. Leonard DeMoor ("DeMoor") is a Missouri-registered agent and investment adviser representative (as of January 28, 2011) with a last known address of 591 Fieldstone Lane, Ballwin, Missouri 63011. DeMoor is registered with the CRD with number 4442189.
14. James Gissy ("Gissy") is a Missouri-registered agent and investment adviser representative with a last known address of 852 Carman Oaks Court, Manchester, Missouri 63021. Gissy is registered with the CRD with number 871546. Gissy is the President of Respondent.
15. On May 20, 2009, the Audit Section of the Missouri Securities Division ("Audit Section") conducted a routine examination of Respondent. During that examination it was noted that Respondent was associated with DeMoor, an unregistered investment adviser representative.
16. During an interview with the Audit Section, Gissy stated that DeMoor was an investment adviser representative of Respondent. Additionally, at the time of the audit, Respondent's website listed DeMoor as a registered investment adviser representative.
17. According to CRD records, DeMoor's association with Respondent began on March 20, 2009. For approximately twenty-two (22) months, from March 20, 2009 until January 28, 2011, DeMoor was associated with Respondent as an unregistered investment adviser representative.

## **II. CONCLUSIONS OF LAW**

18. The Commissioner finds Respondent employed an unregistered investment advisor representative in violation of Section 409.403(d) and that this conduct constitutes grounds to discipline Respondent under Section 409.4-412, (d)(9), RSMo. (Cum. Supp. 2009).
19. 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, RSMo. (Cum. Supp. 2009).

## **III. ORDER**

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

1. Respondent shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of five thousand dollars (\$5,000). This payment shall be sent by July 31, 2011, 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;
2. 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 5<sup>TH</sup> DAY OF APRIL, 2011.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
MATTHEW D. KITZI  
COMMISSIONER OF SECURITIES

Consented to by:  
MISSOURI SECURITIES DIVISION

Nathan Soendker  
Chief Enforcement Counsel

CAPITAL MANAGEMENT SERVICES, INC

Approved as to Form:

Attorney Name

Attorney for Respondent

.RESPONDENT