

State of Missouri
Office of Secretary of State

Case No. AP-12-26

IN THE MATTER OF:

WULF, BATES AND MURPHY,
CRD #107678,

Respondent.

Serve: Wulf, Bates & Murphy
13537 Barrett Parkway Drive
Suite 345
St. Louis, Missouri, 63102

**SUMMARY ORDER DENYING APPLICATION
FOR INVESTMENT ADVISER REGISTRATION**

On August 17, 2012, Drew Veatch, Chief Registration Counsel for the Missouri Securities Division (the "Division") and on behalf of the Registration Section of the Securities Division of the Office of the Missouri Secretary of State (the "Registration Section"), submitted a Petition to Deny Application for Registration as an Investment Adviser. After review of the petition, the Commissioner of Securities issues the following findings, conclusions and order:

FINDINGS OF FACT

1. Wulf, Bates & Murphy ("WBM") has an address of 13537 Barrett Parkway Drive, Suite 345, St. Louis, Missouri, 63102. A check of the Central Registration Depository System ("CRD") records indicates that WBM has applied for Missouri registration as an investment adviser. WBM's application for registration in Missouri as an investment adviser remains pending.
2. David Wulf ("Wulf") is the President of WBM and has an address of 2714 Hillcroft Drive, Chesterfield, Missouri, 63005. A check of CRD records indicates that Wulf is registered in Missouri as a broker-dealer agent for Moloney Securities Co., Inc., and that Wulf has applied for Missouri registration as an investment adviser representative with WBM. Wulf's application for registration in Missouri as an investment adviser representative remains pending.
3. Charles Bates ("Bates") is the Chief Compliance Officer of WBM and has an address of 718 Wenneker Drive, Clayton, Missouri, 63124. A check of CRD records indicates that Bates is registered in Missouri as a broker-dealer agent for Moloney Securities Co., Inc., and that Bates has applied for Missouri registration as an investment adviser representative with WBM. Bates application for registration in Missouri as an investment adviser representative remains pending.
4. As used herein, the term Respondent refers to WBM.
5. On June 28, 2012, WBM submitted an application to the Division (the "Division") to become registered as an investment adviser.
6. On July 3, 2012, after submitting updated materials to the Division, WBM's application for registration was deemed complete, WBM's registration status was updated to "pending," and the Registration Section opened a pre-registration examination of WBM.
7. During the course of the Registration Section's pre-registration examination, it was discovered that WBM's named Chief Compliance Officer, Bates, was not registered in Missouri, and that WBM had no investment adviser representatives that were currently registered with Missouri or any other state.
8. Wulf applied for Missouri registration as investment adviser representative of WBM on July 12, 2012.
9. Bates applied for Missouri registration as an investment adviser representative of WBM on June 28, 2012.
10. The investment adviser representative applications for both Wulf and Bates, upon submission, were deficient, lacking the required passing score on the Series 65 Uniform Investment Adviser Law Examination ("Series 65 examination") or the Series 66 Uniform Combined State Law Examination ("Series 66 examination").
11. As of August 17, 2012, neither Wulf nor Bates had the required passing score on the Series 65 examination or the Series 66 examination, and their respective applications for Missouri registration as an investment adviser representative remained pending.
12. As of August 17, 2012:

- a. WBM has no investment adviser representatives registered in Missouri;
- b. The individual identified as the chief compliance officer on the WBM application for investment adviser registration is not a registered investment adviser representative in Missouri; and
- c. WBM's application for Missouri registration as an investment adviser remains pending.

STATUTORY AND REGULATORY PROVISIONS

13. Section 409.6-601(a), RSMo. (Cum. Supp. 2011), states that the Missouri Securities Act of 2003 (the "Act") shall be administered by the commissioner of securities
14. Section 409.4-412(d)(a), RSMo. (Cum. Supp. 2011), provides that if the commissioner finds that the order is in the public interest and subsection (d) of Section 409.4-412, RSMo, authorizes the action, an order issued under the Act may deny an application for registration of an applicant to be an investment adviser.
15. Section 409.4-412(d)(1), RSMo. (Cum. Supp. 2011), provides that a person may be disciplined under Section 409.4-12(d)(1), RSMo., if the person has filed an application for registration which, as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect, or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact.
16. Section 409.4-412(f), RSMo. (Cum. Supp. 2008), states that the "commissioner may suspend or deny an application summarily"
17. MO 15 CSR 30-51.020(3)(A) states "the following shall be included in an initial application for registration:
 - ii. Electronically filed Form ADV;
 - iii. Form SADV-1, the State Covered Investment Adviser Affidavit and requested information;
 - iv. Applicant's current balance sheet prepared within thirty (30) days of filing;
 - v. A listing of all investment adviser representatives who will be rendering investment advice for the firm in this state;
 - vi. The name of the applicant's chief compliance officer;
 - vii. Copies of the following documents:
 - a. A sample or copy of the written agreement the applicant intends to enter into with any client relating to the business of the applicant;
 - b. A sample or copy of any solicitor agreements that the applicant intends to utilize if the applicant intends to use a solicitor(s) arrangement or act as a solicitor; and
 - c. Private placement memorandum(s), limited partnership agreement(s), and gatekeeper agreement(s) if a pooled investment vehicle or hedge fund is to be involved, or any agreements similar to the above, if the applicant intends to utilize any of the above agreements; and
 - viii. Payment of the filing fee.
18. MO 15 CSR 30-50.010(G) defines "Chief compliance officer" as "an individual, who is both a supervised person and an investment adviser representative of the firm, responsible for administering the supervisory or compliance policies and procedures an investment adviser adopts under "Supervision Guidelines for Investment Advisers" in 15 CSR 30-51.173."
19. MO 15 CSR 30-51.010(2) states, "A broker-dealer shall have at least one (1) agent registered in this state. An investment adviser shall have at least one (1) investment adviser representative registered in this state."
20. MO 15 CSR 30-51.020(5)(A) states, regarding the application for registration as an investment adviser representative, that, "The following shall be included in an initial application for registration:
 1. Form U-4;
 2. Documentation of qualification under examination requirements; and
 3. Payment of filing fee."

21. MO 15 CSR 30-51.030(2) states, "The following examinations are required for the following applicants:

(C) Investment Adviser Representatives Application. Investment adviser representatives are required to take and pass:

1. The Series 65 examination; or
2. Both the Series 66 and the Series 7 examinations."

CONCLUSIONS OF LAW

22. Respondent Wulf, Bates and Murphy, LLC, submitted an application for registration which, as of the date of filing, June 28, 2012, and on all days since such filing up to and including the date of this order, contained statements that, in light of the circumstances under which they were made, were false or misleading with respect to material facts, including:
- a. That Bates is the chief compliance officer of the firm, when in fact Bates is not registered as an investment adviser representative, and in light of the circumstance that chief compliance officers must be an investment adviser representative;
 - b. That Bates and Murphy are investment adviser representatives, when in fact neither Bates nor Murphy are registered as investment adviser representatives, and in light of the circumstance that an investment adviser must have at least one investment adviser representative.
23. The inclusion of statements that, in light of the circumstances under which they were made, were false or misleading with respect to material facts, in Respondent Wulf, Bates and Murphy's application for registration is grounds to deny the application of Respondent Wulf, Bates and Murphy for registration as an investment adviser pursuant to Sections 409.4-412(a), (d) and (f), RSMo. (Cum. Supp. 2011).
24. The above-paragraphs numbered 1 through 23 are the reasons for the action taken in this order.
25. This order has been issued prior to the period specified in Section 409.4-406(c), RSMo. (Cum. Supp. 2011), for effectiveness as a matter of law.
26. This order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes of the Missouri Securities Act of 2003.

ORDER

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

- A. the investment adviser application for registration of Respondent Wulf, Bates and Murphy, LLC, CRD number 107678, in the State of Missouri is hereby **DENIED** pursuant to Sections 409.4-412(a), (d)(1) and (f), RSMo. (Cum. Supp. 2011);
- B. such denial is effective immediately pursuant to Section 409.4-412(f), RSMo. (Cum. Supp. 2011); and
- C. Such denial shall be noted upon and submitted to the appropriate registration database immediately.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 17th DAY OF AUGUST, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

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

Case No. AP-12-26

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CRD #107678,

Respondent.

Serve: Wulf, Bates & Murphy
13537 Barrett Parkway Drive
Suite 345
St. Louis, Missouri, 63102

NOTICE

TO: Respondent and any unnamed representatives aggrieved by this Order:

The above attached order was issued on August 17, 2012.

The reasons for the action are described in the order.

You may request a hearing in this matter within thirty (30) days of the receipt of this order pursuant to Section 409.4-412(f), RSMo. (Cum. Supp. 2011). Within fifteen days after receipt of a request in a record for a hearing, the matter will be scheduled for a hearing pursuant to Section 409.4-412(f), RSMo. (Cum. Supp. 2011).

A request for a hearing must be mailed or delivered, in writing, to:

**Matthew D. Kitz, Commissioner of Securities
Office of the Missouri Secretary of State
James C. Kirkpatrick State Information Center
600 West Main Street, Room 229
Jefferson City, Missouri 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of August, 2012, copies of the foregoing Order in the above styled case were **mailed by certified U.S. Mail, postage prepaid, to:**

Wulf, Bates & Murphy
13537 Barrett Parkway Drive
Suite 345
St. Louis, Missouri, 63102

And hand delivered to:

Drew Veatch
Chief Registration Counsel, Missouri Securities Division

Diann Wingrath
Specialist