



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
BRYANT GEORGE ROADIFER,)
) Case No. AP-14-07
 Respondent.)
)
Serve: Bryant George Roadifer)
 234 North 5th Street)
 Festus, Missouri 63028)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Jennifer Martin, has alleged that Bryant George Roadifer (“Roadifer” or “Respondent”), transacted business as a broker-dealer in the state of Missouri without being registered or exempt from registration; omitted to state material facts; engaged in an act, practice, or course of business that would operate as a fraud or deceit; and concealed, made a false entry in, and/or falsified tangible, electronic, and/or physical evidence with the intent to impede, obstruct, avoid, evade, and/or influence an official securities investigation in violation of Section 409.108, 409.4-401, and 409.5-501, RSMo. (Cum. Supp. 2012), and that this constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2012).
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 violations of Section 409.108, 409.4-401, and 409.5-501, RSMo. (Cum. Supp. 2012).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“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. 2012), 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 Respondent’s right to a hearing with respect to this matter.
6. Respondent waives any right 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 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 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 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. Roadifer is a Missouri resident with a mailing address of 234 North 5th Street, Festus, Missouri 63028.
13. Fidelity Brokerage Services, LLC ("Fidelity") is a Missouri-registered broker-dealer with a home office address of 900 Salem Street, Smithfield, Rhode Island 02917. Fidelity is a discount broker and is registered in Missouri through the Central Registration Depository ("CRD") with number 7784.
14. Roadifer created a fictitious persona in the name of Jason Starks ("Starks"), who purported to be an agent of Fidelity. Roadifer acted as Starks to handle at least some of MR's Fidelity account statements and tax matters.
15. A check of the records maintained by the Commissioner indicates that, at all times relevant to this matter, Roadifer was not registered as a broker-dealer, broker-dealer agent, investment advisor, or investment adviser representative.
16. In or around April 2012, a sixty-five (65) year-old St. Louis, Missouri, resident and uncle of Roadifer ("MR") retired from MR's employer, with whom MR had a 401(k) retirement account.
17. During the time of MR's retirement, Roadifer's relative ("RR") asked Roadifer to help MR with rolling over MR's 401(k) to a different retirement account. Also during this time, Roadifer was asked to assist MR with completing MR's taxes.
18. On or about April 12, 2012, MR authorized Roadifer to complete an online application for MR to open an individual retirement account with Fidelity ("IRA Account"), using funds from MR's 401(k). MR granted permission to Roadifer to open the IRA Account online because MR did not have a computer.
19. On the application to open the IRA Account, Roadifer listed MR's name, social security number, date of birth, telephone number, and address; however, Roadifer listed Roadifer's personal e-mail address as the e-mail address of record. Roadifer also requested that all IRA Account documents, including statements and trade confirmations, be delivered electronically.
20. On or about April 19, 2012, MR's 401(k), which included shares of four (4) mutual funds and funds from a money market account, totaling approximately ninety-one thousand dollars (\$91,000) was rolled over to the IRA Account.
21. Between May 2012 and April 2013, MR authorized Roadifer to disburse approximately thirty-nine thousand dollars (\$39,000) from the IRA Account to MR's Bank of America

personal checking account (“BOA Checking Account”) for MR’s living expenses and home repairs. In order to disburse at least some of these funds, Roadifer sold securities in the IRA Account.

22. On or about May 19, 2012, Roadifer electronically opened a Fidelity non-retirement brokerage cash account in MR’s name (“Cash Account”).
23. On the application to open the Cash Account, Roadifer listed MR’s name, social security number, date of birth, and telephone number; however, Roadifer listed Roadifer’s personal e-mail address as the e-mail address of record. Roadifer also requested that all Cash Account documents, including statements and trade confirmations, be delivered electronically.
24. MR stated to an investigator with the Enforcement Section that Roadifer opened the Cash Account using MR’s personal information without MR’s authorization and knowledge.
25. In or around May 2012, Roadifer obtained a debit card for MR’s Cash Account. The holder of this Cash Account debit card was able to withdraw funds from that account.
26. MR stated that MR neither authorized Roadifer to obtain and/or attach the debit card to the Cash Account, nor had knowledge that Roadifer did so.
27. Between approximately May 21, 2012, and February 14, 2013, Roadifer routinely accessed the IRA Account online to buy, sell, and/or liquidate securities. Specifically, Roadifer liquidated securities and transferred in excess of forty-four thousand dollars (\$44,000) from the IRA Account to the Cash Account.
28. Except for the above-mentioned transactions Roadifer executed for MR’s living expenses and home repairs, MR stated MR did not authorize or have knowledge of any of Roadifer’s securities transactions in the IRA Account.
29. Between May 28, 2012, and February 22, 2013, Roadifer used the debit card linked to the Cash Account to withdraw approximately forty-four thousand six hundred thirty-four dollars (\$44,634) from ATM machines in or around Festus, Missouri.
30. MR stated that the funds withdrawn from the Cash Account were without MR’s authorization and knowledge.
31. Due to at least some withdrawals from the IRA Account, MR incurred a tax liability.
32. In February 2013, Roadifer told MR, among other things, the following:
 - a. MR’s IRA Account lost in excess of forty-seven thousand dollars (\$47,000) due to “economics” and the “market”; and

- b. MR had incurred a tax liability of approximately eight thousand dollars (\$8,000) on the losses in the IRA Account.
33. In or around May 2013, RR asked Roadifer to send RR the IRA Account statements for RR and MR to review together.
34. The IRA Account statements were not provided to MR and/or RR until in or around August 2013. At that time, Roadifer sent RR account statements for April of 2012 through March of 2013 purportedly from the IRA Account at Fidelity.
35. Roadifer told RR that Roadifer received the purported IRA Account statements from a Fidelity employee named Starks. These purported IRA Account statements reflected, among other things:
 - a. a decline in the account balance of the IRA Account from approximately ninety-one thousand dollars (\$91,000) in April 2012 to approximately thirteen thousand dollars (\$13,000) in December 2012;
 - b. transfers of approximately thirty thousand dollars (\$30,000) to the BOA Checking Account; and
 - c. a negative change in the investment value of securities held in the IRA Account of forty-three thousand six hundred forty-nine dollars and thirty-seven cents (\$43,649.37).
36. The purported IRA Account statements provided by Starks through Roadifer reflected no transfers from the IRA Account to the Cash Account. Specifically, the purported IRA Account statements lacked any information on the securities transactions not authorized by MR.
37. Additionally, the purported IRA Account statements provided by Starks through Roadifer incorrectly reflected the amount of money transferred to MR's BOA Checking Account.
38. On or around August 23, 2013, Starks, purportedly on behalf of Fidelity and using the e-mail address jason.starks.fidelity@aol.com, sent Roadifer an e-mail with the subject, "[MR] [IRA Account] Settlement Offer" ("Settlement Offer E-mail"). Upon information and belief, this settlement was a proposal to offset a portion of the tax liability owed by MR.
39. The Settlement Offer E-mail, among other things:
 - a. was signed by "Jason Starks";
 - b. stated that, "We are in the process to [sic] sending over documents...This is a settlement offer to avoid filing amended 1099-R forms. This offer is due to the fact that Fidelity has to report the error to FTC(Federal Trade Commission) [sic]";

- c. listed an “offer breakdown” consisting of seven (7) payments totaling five thousand dollars (\$5,000) to be paid by Fidelity as a settlement “...for the compensation for the error on the 1099-R report...”;
 - d. indicated that the phone number for Jason Starks was (224) 301-6751;
 - e. indicated that Starks was a member of the “Account Reconciliation Group” of “Fidelity [sic] Investments, Inc.”;
 - f. included a logo of Fidelity; and
 - g. was forwarded by Roadifer to RR.
40. No settlement payments were ever paid to MR by Starks, Fidelity, and/or Roadifer.
41. Since April 30, 2013, the IRA Account has held a balance of zero dollars (\$0).
42. As of January 31, 2014, the Cash Account had an account balance of thirteen dollars and forty-seven cents (\$13.47).

Additional Findings

43. On or about October 8, 2013, Roadifer placed a note and a check on MR’s vehicle. The note stated, among other things, “I original [sic] didn’t intent [sic] to take the money...I will pay every pennie [sic] back...I have enclosed a check for 523.79...” The check was made payable to MR, signed by Roadifer, and written in the amount of five hundred twenty-three dollars and seventy-nine cents (\$523.79).
44. On February 24, 2014, Roadifer appeared before representatives of the Enforcement Section for an on-the-record interview (“Roadifer OTR”). During the Roadifer OTR, Roadifer stated, among other things, the following:
- a. Roadifer assisted MR in opening the IRA Account;
 - b. Roadifer completed the IRA Account application online;
 - c. Roadifer listed Roadifer’s e-mail address as the e-mail address of record for the IRA Account;
 - d. IRA Account documents would have been delivered electronically to Roadifer’s e-mail address;
 - e. Roadifer helped MR roll-over MR’s 401(k) to the IRA Account;
 - f. the balance of MR’s 401(k) that was rolled over into the IRA Account was

“roughly around ninety” thousand dollars (\$90,000);

- g. MR requested that Roadifer withdraw approximately forty thousand dollars (\$40,000) from the IRA Account to be placed in MR’s BOA Checking Account;
 - h. in order to have the funds necessary to make the transfers to MR’s BOA Checking Account, Roadifer accessed the IRA Account and liquidated securities;
 - i. Roadifer arbitrarily selected securities to sell in the IRA Account and “...did whatever was necessary to get the funds that [MR] needed”;
 - j. to Roadifer’s knowledge, no one besides Roadifer had control over the IRA Account or otherwise accessed it;
 - k. Roadifer was the only person who transferred funds from the IRA Account to the Cash Account;
 - l. MR incurred an approximate eight thousand dollar (\$8,000) to nine thousand dollar (\$9,000) tax liability due to Roadifer’s withdrawals in MR’s IRA Account and Cash Account;
 - m. Roadifer believed that Roadifer withdrew approximately thirty thousand dollars (\$30,000) from MR’s Cash Account;
 - n. Roadifer never provided and/or showed IRA Account statements to MR; and
 - o. Roadifer did not disclose to MR, among other things:
 - i. Roadifer’s experience and background in the financial industry;
 - ii. that Roadifer’s withdrawals increased MR’s tax liability; and
 - iii. that Roadifer was trading in MR’s IRA Account.
45. During the Roadifer OTR, Roadifer made false statements to the Enforcement Section, which included the following:
- a. MR agreed to loan Roadifer an indeterminable amount of money to help with Roadifer’s wife’s medical expenses;
 - b. an employee of Fidelity told Roadifer that Roadifer had to open the Cash Account for MR;
 - c. either Fidelity or Roadifer set up the Cash Account for MR at the same time Roadifer set up the IRA Account;

- d. MR was aware that Roadifer opened the Cash Account;
 - e. MR gave Roadifer a debit card associated with the Cash Account to withdraw funds;
 - f. Starks is a Fidelity “rep” based in Chicago, Illinois;
 - g. Roadifer made contact with Starks through a Fidelity telephone number;
 - h. Roadifer contacted Starks “concerning some of the...fundings [sic] for some of [MR’s] accounts because [Roadifer] wanted to see what would be the implications if we...moved some of his...fundings [sic]. Some of them were higher risk than others”;
 - i. Starks communicated with Roadifer in order to relay information to RR and MR;
 - j. Roadifer spoke to Starks two (2) or three (3) times on the phone; and
 - k. Roadifer did not create the persona of Starks.
46. The Enforcement Section’s investigation revealed the following:
- a. MR never agreed to allow Roadifer to withdraw any funds from either the IRA Account or the Cash Account for Roadifer’s personal use;
 - b. Roadifer, without MR’s authorization and/or knowledge, set up the Cash Account in MR’s name approximately one month subsequent to the IRA Account being opened;
 - c. MR did not authorize or have knowledge of a debit card being established for the Cash Account, and MR did not give to Roadifer a debit card linked to and/or associated with the Cash Account;
 - d. no registered person by the name Jason Starks has worked at or with Fidelity in at least the past ten (10) years;
 - e. Roadifer created and used the persona Jason Starks in connection with Roadifer’s managing of MR’s IRA Account and of MR’s taxes;
 - f. Roadifer created the e-mail address jason.starks.fidelity@aol.com in conjunction with Roadifer acting as Starks to communicate indirectly with RR and/or MR;
 - g. Roadifer obtained the pre-paid telephone number (224) 301-6751 to be used in conjunction with Roadifer acting as Starks;
 - h. the purported IRA Account statements provided to RR by Roadifer were not true

and accurate copies, but were, in fact, fictitious; and

- i. Roadifer created and disseminated the purported IRA Account statements.
47. Roadifer failed to disclose to MR:
- a. Roadifer's experience and background in the financial and securities industry;
 - b. that Roadifer was acting as an unregistered broker-dealer;
 - c. the risks involved with having Roadifer manage the IRA Account;
 - d. that Roadifer was acting as a Fidelity agent named Jason Starks;
 - e. that Starks was a fictitious persona created by Roadifer;
 - f. that Roadifer opened the Cash Account;
 - g. that Roadifer used MR's personal information to open the Cash Account;
 - h. that Roadifer funded transfers to the Cash Account by liquidating securities in the IRA Account;
 - i. that Roadifer was withdrawing funds from the Cash Account for Roadifer's personal use;
 - j. that Roadifer's unauthorized withdrawals increased MR's tax liability; and
 - k. the IRA Account statements provided by Roadifer to RR and MR were not true and accurate copies of the activity in that account.

II. CONCLUSIONS OF LAW

48. The Commissioner finds the Respondent transacted business as a broker-dealer in the state of Missouri without being registered or exempt from registration; omitted to state material facts; engaged in an act, practice, or course of business that would operate as a fraud or deceit; and concealed, made a false entry in, and/or falsified tangible, electronic, and/or physical evidence with the intent to impede, obstruct, avoid, evade, and/or influence an official securities investigation and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604 RSMo. (Cum. Supp. 2012).
49. The Commissioner, after consideration of the stipulations set forth above and on the consent of the Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over the 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. 2012).

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

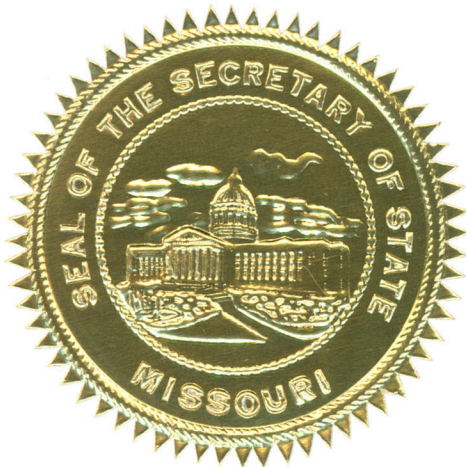
1. Respondent, Respondent's agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from transacting securities business in the state of Missouri without being registered, omitting to state material facts, engaging in an act, practice, or course of business that would operate as a fraud or deceit, and concealing, making a false entry in, and/or falsifying tangible, electronic, and/or physical evidence with the intent to impede, obstruct, avoid, evade, and/or influence an official securities investigation.
2. Respondent is hereby BARRED.
3. Respondent is ordered to pay forty-four thousand six hundred thirty-four dollars (\$44,634) in restitution. This amount shall be sent or delivered to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101 within ten (10) days of the effective date of this Consent Order and shall be made payable to the Missouri Secretary of State's Investor Restitution Fund. This payment will be distributed by that Fund to the investor in the amount as stated in the attached Exhibit A. The payment shall become immediately due and payable, under operation of law, upon Respondent's failure to comply with the terms of this Order, and such immediately due payment shall be in addition to all other penalties then available under the law.
4. Respondent shall pay a civil penalty of twenty-five thousand dollars (\$25,000), pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2012), for multiple violations of Sections 409.108, 490.4-401, and 409.5-501 RSMo. (Cum. Supp. 2012). Twelve thousand five hundred dollars (\$12,500) of this amount will be suspended provided Respondent complies with the terms of this Order and does not violate the Missouri Securities Act for a period of five (5) years. The remaining twelve thousand five hundred dollars of this amount shall be due and payable within ten (10) days of the effective date of this Consent Order. All civil penalty payments shall be payable to the State of Missouri and be sent or delivered to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. The suspended amount shall become immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this Order, and such immediately due payment shall be in addition to all other penalties then available under the law.
5. Respondent is ordered to pay one thousand five hundred dollars (\$1,500) as the cost of this investigation in this matter. This amount will be suspended provided Respondent complies with the terms of this Order and provided Respondent does not violate the securities act for a period of five (5) years. The suspended payment shall become

immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this Order, and such immediately due payment shall be in addition to all other penalties then available under the law. This amount shall then become payable to the Missouri Secretary of State's Investor Education and Protection Fund and delivered or sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.

6. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo. (Cum. Supp. 2012).
7. Respondent shall pay Respondent's 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 14TH DAY OF MAY, 2014.



JASON KANDER
SECRETARY OF STATE

A handwritten signature in blue ink that reads "Andrew M. Hartnett".

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

Consented to by:

THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

A handwritten signature in blue ink that reads "Jennifer J. Martin".

Jennifer J. Martin
Enforcement Counsel

RESPONDENT

A handwritten signature in blue ink that reads "Bryant G. Roadifer".

Bryant G. Roadifer

Approved as to Form:

A handwritten signature in black ink that reads "Katherine Hummel" followed by a date "10/29/09". The signature is written in a cursive style.

Katherine Hummel, Attorney for Respondent
3920A Dover Place
St. Louis, Missouri 63116