

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES DIVISION**

IN THE MATTER OF:

**Stifel, Nicolaus & Company,
Incorporated, CRD# 793; and
Lanis Dale Noble, CRD # 858008**

Respondent

**ADMINISTRATIVE CONSENT ORDER
NOS. LS-14-0977-A and -B; LS-15-
1435 and LS-15-1463**

ADMINISTRATIVE CONSENT ORDER

WHEREAS, the Securities Division of the Mississippi Secretary of State (“Division”), having the authority to administer and provide for the enforcement of all provisions of the Mississippi Securities Act codified at Mississippi Code Annotated Sections 75-71-101, *et. seq.* (the “Act”) and the Securities Act Rules (“Rules”);

WHEREAS, Stifel, Nicolaus & Company, Incorporated (“Stifel Nicolaus” or the “Firm” or “Respondent Stifel”) is registered as a broker-dealer firm in the State of Mississippi;

WHEREAS, in response to customer complaints received by the Division, the Division has conducted an investigation into certain activities occurring in the branch office of Stifel Nicolaus located in Jackson and then Ridgeland, Mississippi during the time period of September 2000 through November 2013, where Lanis Dale Noble (“Noble” or “Respondent Noble”) acted as an agent and as branch manager from mid- 2007 through the period when he retired in 2013;

WHEREAS, Respondents have advised the Division of their agreement to resolve the

matters without the expense and delay that formal proceedings would involve;

WHEREAS, Respondents, solely for the purpose of concluding these open matters with the Division and without admitting or denying the Findings of Fact and Conclusions of Law set forth herein, agree to take certain actions described herein, and consent to the terms and conditions in Section VII of this Administrative Consent Order (“Order”); and

WHEREAS, Respondents elect to permanently waive any right to a hearing and appeal under Sections 75-71-604 and 75-71-609 the Act and Section 75-71-601 of the Predecessor Act with respect to this Order.

WHEREAS, this Order or any acts performed and documents executed in furtherance of this Order are not intended for use and may not be deemed or used by any person or entity not a party to this proceeding as an admission of, or evidence of, any fault or omission of Respondent in any civil, criminal, or administrative proceeding in any court, administrative agency, arbitration or other tribunal.

WHEREAS, this Order is not intended to confer any rights upon any person or entities who are not a party to this proceeding;

NOW, THEREFORE, the Division, as Administrator of the Act, hereby enters this Order:

I. JURISDICTION AND BACKGROUND

1. The Act gives authority to the Secretary of State to administer and enforce the Act and Rules and to regulate the offer and sale of securities in Mississippi including the firms and persons who offer or sell securities or who provide investment advice regarding securities and has jurisdiction over this matter. *See* Miss. Code Ann. §§ 75-71-601; 75-71-610.
2. As the alleged actions of Respondents took place prior to January 1, 2010, both the

Predecessor Act and the current Securities Act apply, as applicable. Citations to Mississippi Statutes and Rules in this Order refer to the Predecessor Act and former Rules or the Current Act and current Rules, or both, as applicable, for the relevant time period referenced herein.

3. Stifel Nicolaus (CRD¹ No. 793) has been conducting business in Mississippi since 2000 from a branch office in Jackson, Mississippi, which was later relocated to Ridgeland, Mississippi in 2005 (the "Branch Office"). During the relevant period referenced herein Stifel Nicolaus was a member of the National Association of Securities Dealers ("NASD"). Stifel became a member of the Financial Industry Regulatory Authority ("FINRA") on July 30, 2007 when NASD became FINRA. Noble (CRD No. 858008) conducted business in Mississippi from 2000 until he retired in 2013 from the Branch Office. During the relevant time period referenced herein, Noble was a broker-dealer agent of the Firm and was registered with the Division. Noble is not currently registered with the Division, retired in November 2013 and is not employed by any broker-dealer firm.

4. Stifel Nicolaus is subject to jurisdiction under the Act as a registered broker-dealer firm.

5. Noble is subject to jurisdiction under the Act as a former agent of a registered broker-dealer firm.

II. FINDINGS OF FACT

6. In response to customer complaints, the Division conducted a comprehensive investigation into certain sales practices involving Noble when he was employed by Stifel

¹ The Central Registrations Depository ("CRD") system is an electronic database maintained by FINRA that contains employment, licensing and disciplinary information about registered brokers, dealers and similar investment firms and their individual sales persons, representatives and employees, which is submitted by members and regulatory authorities and is accessible both to regulators for their official use and to the investing public.

Nicolaus at the Branch Office.

7. Mississippi resident ("MR") opened seven different commission-based brokerage accounts with Noble from 2002-2007, some of which were joint accounts with her spouse. MR received assets in a divorce settlement of over \$8 Million. MR was not a sophisticated investor and did not work. In completing the account opening paperwork for some of these accounts Noble made several incorrect statements in the paperwork that were not consistent with her investment experience. The incorrect and inconsistent statements were not detected or questioned by the Firm.

III. APPLICABLE LAW

8. The Secretary of State has the authority under Section 604 of the Act to bring an administrative enforcement action if a person has engaged in or is engaging in any act or practice constituting a violation of Mississippi's securities laws or any laws or rules adopted thereunder and to impose a civil penalty for each violation of the Act. Miss. Code Ann. § 75-71-604.

9. Section 75-71-613 of the Act sets forth the maximum civil penalties which may be imposed for each violation.

10. Former Rule 515 of the Rules (which was in effect during the time of the conduct in question) provides that all broker-dealers shall make, maintain and preserve books and records in compliance with U.S. Securities and Exchange Commission Rules 17a-3 (17 C.F.R. 240.17a-3 (1996)), 17a-4 (17 C.F.R. 240.17a-4 (1996)), 15c2-6 (17 C.F.R. 240.15c2-6 (1996)) and 15c2-11 (17 C.F.R. 240.15c2-11 (1996)). As an agent of a broker-dealer, Respondent Noble was subject to the same requirements.

IV. ACTIONS BASED UPON FINDINGS, APPLICABLE LAW AND AGREEMENT

11. This Order is appropriate, in the public interest and consistent with the proper intent of the Act.

12. The undersigned Respondents agree that this Order contains, constitutes, and embodies the entire agreement between the undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or adds to this Order; and that this Order supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Order.

13. Respondent, by execution of this Order, affirmatively state that they have freely agreed to the signing of this Order, and that no threats, promises, representations, or inducements of any kind, other than as stated in this document, have been made by the Division or any member of the staff of the Division, or any agent or employee of the Division in connection with the signing of this Order.

V. CONCLUSIONS OF LAW

14. Pursuant to Section 75-71-701 of the current Act, because the allegations took place before January 1, 2010, the Predecessor Act applies.

15. The Administrator has jurisdiction over Respondents pursuant to the Current Act and the Predecessor Act as they were registered with the Division during the time of the conduct.

16. The Division concludes that Respondents failed in some instances to make, maintain and preserve books and records as required by the Act.

VI. MITIGATING FACTORS AND REMEDIAL MEASURES

17. Noble left the Firm in 2013. Subject to Court approval in one instance, Respondents have settled or otherwise resolved all but one of the customer arbitrations related to the accounts handled by Noble.

VII. ORDER

IT IS HEREBY ORDERED:

1. This Order concludes the open investigation of the Firm with the Division with respect to the matters described above and referenced herein. However, nothing herein limits the ability of the Division, individually or jointly with other agencies, in pursuing any investigation with respect to any other securities-related matter involving the Respondents.
2. This Order is entered into solely for the purpose of resolving the previously-referenced matters and is not intended to be used, and may not be used, for any other purpose or by any other parties as an admission of, or evidence of, any fault or omission of Respondents in any civil, criminal or administrative proceeding in any court, administrative agency, arbitration or other tribunal. For any person or entity not a party to this Order, this Order does not create any private rights or remedies against Respondents or their agents or create liability for Respondents or limit defenses of Respondents to any claims.
3. Respondent Stifel shall cease and desist from further violations of Rule 5.15 of the Act, which is the successor to former Rule 515 of the Act.
4. Respondent Noble permanently retired from the Firm effective November 11, 2013 and, consistent with his stated intentions, will refrain from registration in Mississippi with the Division.
5. Respondent Stifel has agreed to a payment of \$49,500 on its behalf and a payment of \$500 on Mr. Noble's behalf and has paid these amounts directly to the Division.

6. Respondents shall not take any action, or make or permit to be made any public statement, denying, directly or indirectly, any finding in this Order or creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents' (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Division is not a party.

6. Any failure by either Respondent to follow the terms of this Order shall be considered a violation of this Order as to such Respondent, authorizing the Administrator to either enforce this Order pursuant to its statutes or the Administrator may vacate this Order as to such Respondent in his sole discretion upon fifteen (15) days' notice to such Respondent and without opportunity for administrative hearing and refer this matter for enforcement as provided in Section 75-71-604(g) of the Act. In addition, the Division may impose additional sanctions and seek other appropriate relief for violation of this Order.

7. In the event that one or more provisions contained in this Order shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Order.

8. This Order shall not disqualify the Firm or any of its affiliates or current employees from any business that they otherwise are qualified or licensed to perform under applicable state law.

9. This Order is not intended to indicate that the Firm or Respondent Noble shall be subject to any disqualifications contained in the federal securities laws, the rules and regulations thereunder, the rules and regulations of self-regulatory organizations or various states' securities laws, including, but not limited to, statutory disqualification under Section

3(a)(39) of the Securities Exchange Act of 1934. In addition, this Order is not intended to form the basis for any such disqualifications.

10. This Order shall be binding on the Firm and its successors and assigns with respect to the conduct subject to the provisions above, and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events and conditions.

11. The Division shall make such public announcement regarding this Order as it deems appropriate with reasonable advance notice to the Firm.

Date: January 4, 2017

C. DELBERT HOSEMANN, JR.
Secretary of State, State of Mississippi

By: Cheryn Netz
Cheryn Netz
Assistant Secretary of State,
Securities Division

CONSENT TO ENTRY OF CONSENT ORDER

Stifel Nicolaus, by and through its authorized representative, by signing below, agrees to the entry of this Consent Order, and waives any right to a hearing or to judicial review.

Stifel Nicolaus by and through its authorized representative states that no promise of any kind or nature whatsoever that is not reflected in this Consent Order was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order voluntarily.

James M. Zemlyak represents that he or she has been authorized to enter into this Consent Order on behalf of Stifel Nicolaus.

Stifel Nicolaus

By:  _____
Title: Chief Executive Officer _____
Date: December 30, 2016 _____

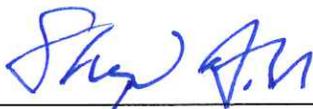
CONSENT TO ENTRY OF CONSENT ORDER

Lanis Dale Noble acknowledges that he has been served with a copy of this Administrative Consent Order (“Order”), has read this Order, is aware of his right to a hearing and appeal in this matter, and has waived the same, and that he has received independent legal advice with respect to the advisability of executing this Order. Lanis Dale Noble admits the jurisdiction of the Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the Division solely for purposes of settlement.

Lanis Dale Noble states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Order and that he has entered into this Order voluntarily.

Dated this the 29th day of December, 2016.


Lanis Dale Noble



Shepherd D. Tate
Attorney for Respondents

Date: January 3, 2017