

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

JIMMY DUANE WEISHAAR (CRD #2537959)

Docket No. 13E019
KSC No. 2012-6025

Respondent.

_____/_____
Pursuant to K.S.A. 17-12a412

STIPULATION FOR CONSENT ORDER

This proceeding follows an examination and investigation conducted by the staff of the Office of the Kansas Securities Commissioner, pursuant to K.S.A. 17-12a411(d) and K.S.A. 17-12a602. As a result of the examination and investigation, staff for the Office of the Kansas Securities Commissioner alleges that:

Allegations of Fact

JURISDICTION

1. Pursuant to K.S.A. 17-12a601, the Securities Commissioner of Kansas is charged with administering the Kansas Uniform Securities Act.
2. Pursuant to K.S.A. 17-12a412, found in the Kansas Uniform Securities Act, an order may be issued to revoke, suspend, condition the registration of, or penalize a person or entity that is registered with the Office of the Securities Commissioner of Kansas as a broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative.
3. At the time when the actions relevant to this matter occurred, Respondent was registered with the Office of the Securities Commissioner of Kansas as an agent of a broker-dealer for Sammons Securities Company, LLC.

4. At the time when the actions relevant to this matter occurred, Respondent was registered with the Office of the Securities Commissioner of Kansas as an investment adviser representative for Sigma Planning Corporation.
5. Accordingly, the Securities Commissioner of Kansas has jurisdiction over this matter.

RELEVANT TIME PERIOD

6. All transactions and other actions related to this matter occurred from January 1, 2010 to May 1, 2010.

RESPONDENT and RELATED PARTIES

7. Respondent is an individual with a residential address of [REDACTED], [REDACTED].
8. From March 2004 to June 2012, Respondent was registered with the Office of the Kansas Securities Commissioner as an agent of a broker-dealer for Sammons Securities Company, LLC (Sammons).
9. From April 2004 to June 2012, Respondent was registered with the Office of the Kansas Securities Commissioner as an investment adviser representative for Sigma Planning Corporation (SPC).
10. Sammons and SPC are associated entities and are under common control.
11. In June 2012, Sammons and SPC terminated Respondent due to the transactions that are the subject matter of this action.
12. Currently, Respondent is not employed as an agent of a broker-dealer or as an investment adviser representative.
13. Currently, Respondent is not registered as an agent of a broker-dealer or as an investment adviser representative in any state.

SELLING AWAY/PRIVATE SECURITIES TRANSACTIONS

14. K.A.R. 81-3-6(e)(23) requires an agent of a broker-dealer to obtain written authorization from his broker-dealer before executing any transaction that is not recorded on the regular books or records of the broker-dealer.
15. NASD Rule 3040(b) requires an agent of a broker-dealer to provide written notice to his broker-dealer prior to participating in any securities transaction that is outside the regular course or scope of the agent's employment with the broker-dealer.
16. Between January 1, 2010 and May 1, 2010, [REDACTED], a client of Sammons, purchased, upon the recommendation of Respondent, a \$95,000 promissory note issued by [REDACTED]. ([REDACTED]).
17. Between January 1, 2010 and May 1, 2010, [REDACTED], a client of Sammons, purchased, upon the recommendation of Respondent, a \$15,000 promissory note issued by [REDACTED].
18. Between January 1, 2010 and May 1, 2010, [REDACTED], a client of Sammons, purchased, upon the recommendation of Respondent, an \$80,000 promissory note issued by [REDACTED].
19. Between January 1, 2010 and May 1, 2010, [REDACTED], a client of Sammons, purchased, upon the recommendation of Respondent, a \$100,000 promissory note issued by [REDACTED].
20. Between January 1, 2010 and May 1, 2010, [REDACTED], a client of Sammons, purchased, upon the recommendation of Respondent, a \$50,000 promissory note issued by [REDACTED].

21. Between January 1, 2010 and May 1, 2010, [REDACTED], a client of Sammons, purchased, upon the recommendation of Respondent, a \$100,000 promissory note issued by [REDACTED].
22. Respondent drafted the promissory notes that were issued by [REDACTED] and purchased by [REDACTED].
23. The promissory notes issued by [REDACTED] and purchased by [REDACTED] [REDACTED] were not recorded on the regular books or records of Sammons.
24. The promissory notes issued by [REDACTED] and purchased by [REDACTED], [REDACTED] were outside the regular course or scope of Respondent's employment with Sammons.
25. Respondent did not provide written notice to Sammons regarding the promissory notes that were issued by [REDACTED] and purchased by [REDACTED] [REDACTED].
26. Sammons did not authorize Respondent to participate in any manner in transactions regarding the promissory notes that were issued by [REDACTED] and purchased by [REDACTED] [REDACTED].

Allegations of Law

SELLING AWAY/PRIVATE SECURITIES TRANSACTIONS

27. Between January 1, 2010 and May 1, 2010, Respondent participated in and effected, on behalf of [REDACTED], a transaction in a \$95,000 promissory note that was not recorded on the regular books or records of Sammons Securities Company, LLC and was outside the regular course or scope of Respondent's employment with Sammons Securities Company, LLC without providing written notice to Sammons Securities Company, LLC

and without obtaining authorization in writing from Sammons Securities Company, LLC, in violation of K.A.R. 81-3-6(e)(23) and NASD Rule 3040(b) (as incorporated by K.A.R. 81-3-6(d)(1) and adopted by K.A.R. 81-2-1(d)(2)).

28. Between January 1, 2010 and May 1, 2010, Respondent participated in and effected, on behalf of [REDACTED] a transaction in a \$15,000 promissory note that was not recorded on the regular books or records of Sammons Securities Company, LLC and was outside the regular course or scope of Respondent's employment with Sammons Securities Company, LLC without providing written notice to Sammons Securities Company, LLC and without obtaining authorization in writing from Sammons Securities Company, LLC, in violation of K.A.R. 81-3-6(e)(23) and NASD Rule 3040(b) (as incorporated by K.A.R. 81-3-6(d)(1) and adopted by K.A.R. 81-2-1(d)(2)).
29. Between January 1, 2010 and May 1, 2010, Respondent participated in and effected, on behalf of [REDACTED], a transaction in a \$80,000 promissory note that was not recorded on the regular books or records of Sammons Securities Company, LLC and was outside the regular course or scope of Respondent's employment with Sammons Securities Company, LLC without providing written notice to Sammons Securities Company, LLC and without obtaining authorization in writing from Sammons Securities Company, LLC, in violation of K.A.R. 81-3-6(e)(23) and NASD Rule 3040(b) (as incorporated by K.A.R. 81-3-6(d)(1) and adopted by K.A.R. 81-2-1(d)(2)).
30. Between January 1, 2010 and May 1, 2010, Respondent participated in and effected, on behalf of [REDACTED], a transaction in a \$100,000 promissory note that was not recorded on the regular books or records of Sammons Securities Company, LLC and was outside the regular course or scope of Respondent's employment with Sammons Securities

Company, LLC without providing written notice to Sammons Securities Company, LLC and without obtaining authorization in writing from Sammons Securities Company, LLC, in violation of K.A.R. 81-3-6(e)(23) and NASD Rule 3040(b) (as incorporated by K.A.R. 81-3-6(d)(1) and adopted by K.A.R. 81-2-1(d)(2)).

31. Between January 1, 2010 and May 1, 2010, Respondent participated in and effected, on behalf of [REDACTED], a transaction in a \$50,000 promissory note that was not recorded on the regular books or records of Sammons Securities Company, LLC and was outside the regular course or scope of Respondent's employment with Sammons Securities Company, LLC without providing written notice to Sammons Securities Company, LLC and without obtaining authorization in writing from Sammons Securities Company, LLC, in violation of K.A.R. 81-3-6(e)(23) and NASD Rule 3040(b) (as incorporated by K.A.R. 81-3-6(d)(1) and adopted by K.A.R. 81-2-1(d)(2)).
32. Between January 1, 2010 and May 1, 2010, Respondent participated in and effected, on behalf of [REDACTED] a transaction in a \$100,000 promissory note that was not recorded on the regular books or records of Sammons Securities Company, LLC and was outside the regular course or scope of Respondent's employment with Sammons Securities Company, LLC without providing written notice to Sammons Securities Company, LLC, and without obtaining authorization in writing from Sammons Securities Company, LLC, in violation of K.A.R. 81-3-6(e)(23) and NASD Rule 3040(b) (as incorporated by K.A.R. 81-3-6(d)(1) and adopted by K.A.R. 81-2-1(d)(2)).

RESPONDENT, WISHING TO OBTAIN DISPOSITION OF THIS MATTER

without invoking any right to a hearing before the Securities Commissioner, or his designee, has determined not to contest the issuance of an order by the Commissioner on the basis of the above allegations.

IT IS THEREFORE STIPULATED AND AGREED by and between the Respondent and staff for the Kansas Securities Commissioner that:

1. The Consent Order may be issued by the Kansas Securities Commissioner without further proceedings in this matter.
2. Respondent neither admits nor denies the allegations of the Commissioner's staff.
3. Respondent agrees that:
 - a. he will be barred for 10 years from associating, in any manner, with a broker-dealer or investment adviser registered in the state of Kansas;
 - b. said bar will commence upon the entry of the Consent Order;
 - c. he will pay a fine of \$25,000.00;
 - d. complete and full payment of said fine will be delivered to the Office of the Kansas Securities Commissioner located at 109 SW 9th Street, Suite 600, Topeka Kansas, 66612 within 30 days of entry of the Consent Order;
 - e. said fine shall be paid in the form of a cashier's check or money order made payable to the Office of the Kansas Securities Commissioner; and
 - f. If the \$25,000.00 fine is not completely satisfied prior to the expiration of the 10 year bar, said fine must be paid in full prior to the Respondent being eligible to register as an agent of a broker-dealer or investment adviser representative in the state of Kansas.

4. Staff for the Kansas Securities Commissioner agrees that the Allegations of Fact recited in this Stipulation for Consent Order shall not be used as the basis for any further actions by the Kansas Securities Commissioner against the Respondent.
5. Respondent hereby waives his right to a hearing before the Commissioner with respect to this matter, the issuance of the Consent Order, and the above allegations.

APPROVED BY:



Jimmy Duane Weishaar
RESPONDENT

3/3/13
Date

THE KUESER LAW FIRM



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ATTORNEYS FOR RESPONDENT

3/5/2013
Date

OFFICE OF THE KANSAS SECURITIES COMMISSIONER

By:



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ATTORNEY FOR THE SECURITIES COMMISSIONER

3-6-13

Date