

BEFORE THE SECURITIES COMMISSIONER  
OF THE STATE OF KANSAS



In the Matter of:

National Pension & Group  
Consultants, Inc. (CRD No. 613)

Docket No. *21 E 69*  
KSC No. 2020-6696

Respondent.

\_\_\_\_\_  
Pursuant to K.S.A. 17-12a604

**CONSENT ORDER**

1. The Staff of the Office of the Kansas Securities Commissioner (“KSC Staff”) allege that National Pension & Group Consultants, Inc. (“National Pension”) engaged in conduct constituting violations of the Kansas Uniform Securities Act, K.S.A. 17-12a101 *et seq.* (“the KUSA”), and that National Pension is subject to disciplinary sanctions and remedies under K.S.A. 17-12a604.
2. National Pension and KSC Staff desire to settle the matters raised by KSC Staff relating to National Pension’s alleged violations.

**CONSENT TO JURISDICTION**

3. National Pension and KSC Staff stipulate and agree that, under the KUSA, the Securities Commissioner of Kansas (“the Commissioner”) has jurisdiction over National Pension and this matter.
4. National Pension and KSC Staff stipulate and agree that the Commissioner has authority to enter this Order under K.S.A. 17-12a604.

### WAIVER AND EXCEPTION

5. National Pension waives its right to a hearing with respect to these matters.
6. National Pension waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order.

### CONSENT TO THE COMMISSIONER'S ORDER

7. National Pension and KSC Staff agree to the issuance of this Order without further proceedings in this matter, and agree to be fully bound by the terms and conditions specified herein.
8. Without admitting or denying the allegations made by the KSC Staff as reflected in the Findings of Fact and Conclusions of Law set forth below, National Pension agrees to the issuance of this Order on the basis of such Findings of Fact and Conclusions of Law solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Order.
9. National Pension agrees to not take any action nor to make or permit to be made any public statement creating the impression that this Order is without a factual basis. Nothing in this Order affects National Pension's testimonial obligations or 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.

### FINDINGS OF FACT

10. National Pension is a District of Columbia corporation with its principal place of business located at 3130 Broadway, Kansas City, Missouri 64111. National

Pension's Chief Compliance Officer is Stephen A. Elliott (Elliott), CRD # 3247244. Elliott has a last known address of [REDACTED]

11. National Pension was registered as an investment adviser in Missouri from May 20, 2008 to June 16, 2020; in Iowa from August 15, 2019 to April 21, 2020; and in Illinois from September 25, 2019 to April 21, 2020.
12. National Pension was registered as a broker-dealer under the KUSA from July 24, 2002 to October 30, 2018. National Pension was registered as a broker-dealer in numerous other states, including in Missouri from July 18, 1983 to October 30, 2018.
13. On August 14, 2019, National Pension submitted an application for registration as an investment adviser under the KUSA. As part of its application, National Pension subsequently submitted a list of clients then residing in Kansas and an affidavit of investment adviser activities in Kansas. The list contained the names and addresses of 23 Kansas residents.
14. On November 1, 2019, KSC Staff sent a letter to National Pension requesting a written explanation regarding the lack of prior registration as an investment adviser under the KUSA in light of the fact that the firm had 23 clients who were Kansas residents at the time of the firm's application for registration under the KUSA.
15. National Pension responded on November 11, 2019, stating that while the majority of their clients reside in Missouri, it was revealed during an independent annual

registration review that at the time of the review the firm had 26 clients who resided in Kansas and that registration under the KUSA was therefore required. In subsequent correspondence with KSC Staff, National Pension explained that while the firm provided advisory services to clients working in Missouri schools, the firm submitted its application for registration under the KUSA upon learning that 26 of its clients were actually residents of Kansas.

16. Based on customer account details that National Pension provided to KSC Staff, National Pension exceeded the *de minimis* exemption from registration limit of five Kansas clients on October 7, 2010. The firm maintained more than five Kansas clients until April 23, 2020, at which point all firm clients had been moved to a different investment adviser.
17. On April 21, 2020, National Pension withdrew its request for registration as an investment adviser under the KUSA.

#### CONCLUSIONS OF LAW

18. The Commissioner has jurisdiction over National Pension and this matter.
19. At the times relevant hereto, National Pension was an investment adviser as that term is defined in K.S.A. 17-12a102(15).
20. National Pension violated K.S.A. 17-12a403 by transacting business in Kansas as investment adviser while National Pension was neither registered under the KUSA nor exempt from registration.

ORDER

**IT IS THEREFORE ORDERED** that National Pension shall pay a civil penalty in the amount of \$500.00. Payment shall be in the form of a cashier's check made payable to the "Office of the Kansas Securities Commissioner," and delivered to Jack Clayton Johnson, Assistant General Counsel, at 1300 SW Arrowhead Road, Topeka, KS 66604. Such payment shall be made within 30 days of the issuance of this Order. Upon receipt, such payment shall be deposited in the Investor Education and Protection Fund.

**IT IS SO ORDERED BY THE COMMISSIONER.**

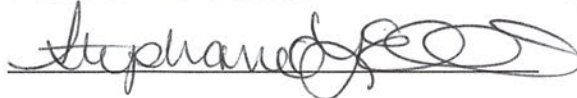
Entered at Topeka, Kansas, this 22<sup>nd</sup> day of JANUARY, 20 21,



Daniel J. Klucas  
*Acting Kansas Securities  
Commissioner*



CONSENTED TO BY:



Stephanie L. Ellis, Kansas Bar No. 28469  
Staff Attorney  
OFFICE OF THE KANSAS SECURITIES COMMISSIONER  
*Attorney for KSC Staff*



Stephen A. Elliott, Chief Compliance Officer  
NATIONAL PENSION & GROUP CONSULTANTS, INC.  
*Respondent*

## NOTICES

(1) A party to this action may petition the Commissioner for reconsideration within 15 days after service of a final order, following the procedures in K.S.A. 77-529. Under K.S.A. 77-528, a party may petition for a stay of effectiveness of this order until the time at which a petition for judicial review would no longer be timely.

(2) This decision may be subject to judicial review. The agency officer to receive service of a petition for judicial review on behalf of the Office of the Securities Commissioner is Jack Clayton Johnson, Assistant General Counsel, at 1300 SW Arrowhead Road, Topeka, Kansas 66604.