

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Complaint No. 342307

JENNIFER BASEY  
CRD# 4730054

Applicant.

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Issued and entered  
this 4th day of June, 2020

**STIPULATION AND ORDER**  
**APPROVING CONDITIONAL REGISTRATION**

A. Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) (the "Securities Act"), 2008 PA 551, MCL 451.2101 *et seq.*:

1. On February 12, 2020, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the "Bureau") and the Director of the Bureau, who serves as Administrator of the Act (the "Administrator"), issued a Notice of Intent to Deny, Condition, or Limit Securities Agent Registration Application (the "NOI") to Jennifer Basey, CRD# 4730054 ("Applicant") pursuant to MCL 451.2412(1), MCL 451.2412(4), and MCL 451.4212(6).
2. Applicant is an individual who resides in the State of Florida and applied for registration as a securities agent in Michigan through Stifel, Nicolaus & Company, Inc. ("Stifel," CRD#793), a Michigan-registered broker-dealer, on or around January 13, 2020; the application became complete on or around January 31, 2020.
3. Applicant does not admit or deny the allegations set forth in the NOI and consents to entry of this Stipulation and Order Approving Conditional Registration only for the purpose of resolving the NOI in an expeditious fashion that avoids the time and expense associated with an administrative proceeding on the Hearing Request and any appeals therefrom.

4. Applicant will be working at the following address:

Address: Stifel, Nicolaus & Company, Inc.  
12670 Creekside Lane, Suite 402  
Fort Myers, FL 33919

Telephone: 239-985-6541  
E-mail: baseyj@stifel.com

5. Applicant will be supervised by the following Supervisor or Compliance Officer at Stifel who works at the address indicated:

Name: Matthew Welborn, CRD No. 2707826  
Title: Supervisor  
Address: 12800 University Drive, Suite 300  
Fort Meyers, FL 33907

Telephone: 239-985-6546  
E-mail: matt.welborn@stifel.com

6. The Parties have determined that: (a) protection of the investing public does not require additional disciplinary action if Applicant and Stifel agree to Applicant's registration subject to the terms and conditions specified in this Stipulation and Order; and (b) the conditional registration of Applicant pursuant to this Stipulation and Order is authorized by law and otherwise reasonable, appropriate, and in the public interest.

7. Applicant was represented by, and had the advice of, legal counsel throughout the process of resolving the NOI through this Stipulation and Order Approving Conditional Registration.

## B. STIPULATION

The Parties agree to this Stipulation, enabling the Administrator to conditionally register Applicant as a securities agent, subject to Applicant's compliance with the following conditions:

1. The Parties agree that, effective upon entry of the attached Order, the NOI is resolved without further action by the Parties.

2. Following entry of the attached Order, the Bureau will file a Form U6 reflecting the Parties' resolution of the NOI under this Stipulation and Order. In addition, the Bureau will update the Central Registration Depository (the "CRD") to reflect Applicant's registration as a securities agent as "APPROVED-RES [RESTRICTED]." This Stipulation and Order is a public record required to be published and made available to the public, consistent with section 11 of the Michigan Freedom of Information Act, MCL 15.241. The Bureau currently publishes copies of orders issued under the Act to the Bureau's website.

### **Compliance Review and Reporting**

3. Applicant's securities agent registration will remain conditional and subject to this Stipulation and Order, and Applicant's supervisor agrees to supervise Applicant under this Stipulation and Order until at least June 30, 2021 (the "Conditional Registration Term"). Beginning July 1, 2021 and on any date thereafter, Stifel may submit a written request to the Bureau, at the address set forth below, that the conditions be lifted from Applicant's registration and providing a reasonable basis for the request.

Corporations, Securities & Commercial Licensing Bureau  
Securities & Audit Division – Final Order Monitoring  
P.O. Box 30018  
Lansing, MI 48909

Stifel's written request to lift Applicant's conditional registration must include: (a) documentation which memorializes Stifel's monthly supervisory reviews required under paragraph B.9; and (b) any additional information specifically required by this Stipulation and Order. Applicant's registration will remain conditional, and the Conditional Registration Term continues, until the Administrator issues an order removing the conditions imposed by this Stipulation and Order after consideration of Stifel's written request contemplated by this paragraph.

4. Any changes to Paragraphs A.4 or A.5 of this Stipulation and Order must be reported through appropriate filings on the CRD system within thirty (30) days.
5. Applicant and Stifel must separately report to the Bureau any: (a) customer complaints (written or verbal); (b) disciplinary actions; and (c) other changes to Applicant's answers to the Disclosure Questions on the Form U4 (a "Reportable Event") that arise during the Conditional Registration Term,

regardless of whether Applicant is required to report this information on the Form U4, within twenty-one (21) days after receipt of the information. Reporting this information on the CRD system alone will not satisfy this requirement. Applicant must also supply the Bureau a copy of her revised Form(s) U4 upon its filing through the CRD. These items must be reported to the Bureau in writing directly at the address indicated in Paragraph B.3 and must include the following information regarding each customer complaint or Reportable Event:

- a. A summary of the Reportable Event including supporting documentation.
  - b. If related to a customer complaint, include:
    - i. Client name, address, telephone number and e-mail address, if any.
    - ii. A copy of any written complaint.
    - iii. A written summary of any verbal complaint or other Reportable Event.
    - iv. Current status of the complaint or other Reportable Event, including the resolution, if any.
6. Applicant and Stifel acknowledge that a new complaint or other reportable item on Applicant's Form U4 may extend the supervisory period.
  7. All new accounts for Applicant's Michigan customers will be reviewed and approved by Stifel before the execution of the initial transaction(s) in any new accounts. Stifel will select a sample of clients to contact to verify the instructions received and document such client contact according to Stifel's policies and procedures.
  8. Stifel will review any new or updated distribution requests requiring a client's signature or initials in accounts serviced by Applicant. Stifel will review such signatures on distribution requests and maintain evidence of that review according to Stifel's policies and procedures. Stifel will select samples of clients serviced by Applicant to contact to verify instructions received and will document such client contact in accordance with Stifel's and procedures. Any instances where a client's signature has been made on the

client's behalf must be reported in writing to the Bureau within ten (10) days of Stifel having actual knowledge of such a signature.

9. Stifel will hold a monthly review meeting with Applicant regarding her activities and the status of Applicant's activities and book of business. Evidence of the meeting must be recorded by Stifel according to the firm's policies and procedures.
10. Applicant will not be permitted to possess or exercise discretion in commission-based accounts for any Michigan customers and will not act in any principal, supervisory, or managerial capacity during the term of this Conditional Registration Order.
11. Applicant and Applicant's supervisor at Stifel must sign a monthly affirmation that Applicant has adhered to the requirements of this Conditional Registration Order.
12. Stifel is not required to submit documentation of Applicant's monthly compliance meetings to the Bureau on a periodic basis. However, Stifel must maintain documentation of all monthly compliance meetings and provide them to the Bureau: (a) to support a request to lift Applicant's conditional registration as provided in Paragraph B.3 of this Stipulation and Order; (b) upon request by the Department within ten (10) calendar days, in connection with any submission of information as required under Paragraph B.5 of this Stipulation and Order; and (c) upon request by the Bureau within ten (10) calendar days for any other reason.
13. If any monthly review reveals that Applicant is not in compliance with this Stipulation and Order or the Act, then Stifel must, within ten (10) calendar days, report the non-compliance to the Bureau in writing at the address indicated in Paragraph B.3.
14. Stifel will not transfer the registration of Applicant to another broker-dealer, pursuant to a mass transfer, without prior approval of the Bureau while this Stipulation and Order is in effect.

### **Additional Provisions**

15. Applicant and Stifel will fully cooperate with the Bureau in any investigation, audit, or examination relating to Applicant's activities.

16. Applicant and Stifel acknowledge and agree that upon their failure to comply with any requirements imposed by this Stipulation and Order, the Administrator is entitled to and may immediately: (a) suspend all registrations held by Applicant under the Act; (b) deny any renewal registrations submitted by her; and (c) deny any future applications for registration submitted by her. A summary suspension under this paragraph is effective upon written notice to Applicant given by the Administrator or her designee with no opportunity for hearing. Applicant and Stifel further acknowledge and agree that the Administrator may pursue any other available contractual, administrative, or judicial remedies to enforce this Stipulation and Order. Applicant may voluntarily surrender or withdraw a registration under the Act; however, such surrender or withdrawal will not negate the previously mentioned actions against the relevant registration or additional disciplinary proceedings if a violation of this Stipulation and Order or the Act occurred.
17. Applicant further acknowledges and agrees that: (a) the Administrator has jurisdiction and authority to enter the attached Order; (b) the attached Order may be entered without any further notice to Applicant; and (c) upon entry of the attached Order, it is final and binding, and Applicant waives any right to a hearing that exists under the Act, the rules promulgated under the Act or the predecessor Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 et seq., or other applicable law.
18. The Parties acknowledge and agree that this Stipulation and Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, agreements, understandings, and negotiations, whether oral or written, with respect to its subject matter. The Parties further agree that this Stipulation and Order may only be amended, modified, or supplemented by a duly executed writing signed by each party and approved by Order of the Administrator.
19. The Parties acknowledge and represent that: (a) each party has read this Stipulation and Order in its entirety and fully understands all of its terms, conditions, ramifications, and consequences; (b) each party unconditionally consents to the terms of this Stipulation and Order; (c) each party has consulted with or had ample opportunity to consult with legal counsel of his, her, or its choosing prior to executing this Stipulation; (d) each party has freely and voluntarily signed this Stipulation; and (e) the consideration received by each party as described in this Stipulation and Order is adequate.

20. The Parties agree that they may execute this Stipulation in any number of counterparts, each of which shall be deemed an original hereof, but which together shall constitute one and the same instrument and agreement, and that facsimile or electronically-transmitted signatures may be attached to this Stipulation and shall be binding on such party as an original signature.

21. The signatories to this Stipulation below represent and warrant that they have the legal capacity and authority to enter into this Stipulation on behalf of the named Parties and to bind the named Parties to the terms and conditions contained herein.

Through their signatures, the Bureau, Applicant, and Stifel agree to comply with the above terms and conditions.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Jennifer Basey, Applicant

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Allen Brautigam  
Senior Vice President  
Stifel, Nicolaus & Company, Inc.

Acknowledged and Reviewed by:

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Bryan Ward  
Attorney for Applicant

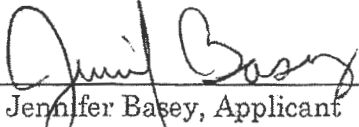
Approved by:

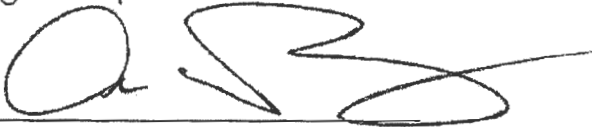
Dated: 6/3/2020 Signed: Timothy L. Teague  
Timothy L. Teague  
Securities & Audit Division Director  
Corporations, Securities & Commercial Licensing  
Bureau

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21. The signatories to this Stipulation below represent and warrant that they have the legal capacity and authority to enter into this Stipulation on behalf of the named Parties and to bind the named Parties to the terms and conditions contained herein.

Through their signatures, the Bureau, Applicant, and Stifel agree to comply with the above terms and conditions.

Dated: 5/29/20 Signed:   
Jennifer Basey, Applicant

Dated: 5/28/20 Signed:   
Allen Brautigam  
Senior Vice President  
Stifel, Nicolaus & Company, Inc.

Acknowledged and Reviewed by:

Dated: 5/29/20 Signed:   
Bryan Ward  
Attorney for Applicant

Approved by:

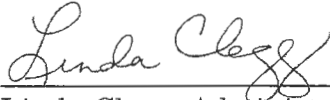
Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Timothy L. Teague  
Securities & Audit Division Director  
Corporations, Securities & Commercial Licensing  
Bureau



C. ORDER

NOW, THEREFORE, the Administrator ORDERS:

IN ACCORDANCE WITH THE FOREGOING FULLY EXECUTED  
STIPULATION, APPLICANT JENNIFER BASEY'S SECURITIES AGENT  
REGISTRATION IS CONDITIONALLY APPROVED.

A handwritten signature in cursive script that reads "Linda Clegg". The signature is written in black ink and is positioned above a horizontal line.

Linda Clegg, Administrator and Interim Director  
Corporations, Securities & Commercial Licensing Bureau

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 342307

JENNIFER BASEY  
CRD# 4730054

Applicant.

\_\_\_\_\_ /

This 12<sup>th</sup> day of February, 2020

Issued and entered

**NOTICE OF INTENT TO DENY, CONDITION, OR LIMIT  
SECURITIES AGENT REGISTRATION APPLICATION**

**I. RELEVANT FACTS AND APPLICABLE LAW.**

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) (“the Securities Act”), 2008 PA 551, as amended, MCL 451.2101 *et seq.*

1. Jennifer Basey (“Applicant”) has previously been registered as a securities agent under the Securities Act in Michigan. Applicant was most recently registered as a securities agent through Edward Jones (CRD# 250), until her registration was terminated on or around December 6, 2019 due to concerns regarding a relative’s signature and initials on customer documents.
2. Applicant applied for registration as a securities agent through Stifel, Nicolaus & Company, Incorporated (CRD#793, “Stifel”), a Michigan-registered broker-dealer, on or around January 13, 2020; the application became complete on or around January 31, 2020.
3. A review of information related to Applicant’s securities agent registration application by staff at the Corporations, Securities, and Commercial Licensing Bureau (“the Bureau”) within the State of Michigan Department of Licensing and Regulatory Affairs revealed that Respondent, while employed by Edward Jones, forged signatures and initials on customer account documents. Edward Jones terminated Applicant for this behavior in the securities industry.
4. The Interim Director of the Bureau (“Administrator”) has reviewed materials relating to the January 13, 2020 application referred to in paragraph two, above. The Administrator finds that Applicant’s conduct in the securities industry within the previous ten years, discussed in paragraph three, was dishonest or unethical under the Securities Act. Based on Applicant’s past conduct discussed above and hereafter, the Administrator has

determined that the denial, conditioning, or limitation of Applicant's securities agent application is authorized, appropriate, and in the public interest.

5. Section 412(1) of the Securities Act, MCL 451.2412(1), provides that if the Administrator finds that the Order is in the public interest and MCL 451.2412(4) authorizes the action, the Administrator may issue an Order denying, conditioning, or limiting an application for registration as a securities agent.

6. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

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(m) The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years...

7. Rule 451.4.27(1), promulgated under the Securities Act, includes forgery as conduct that is considered to be "dishonest or unethical practices" under section 412(4)(m) of the Securities Act, MCL 451.2412(4)(m).

8. Section 412(6) of the Securities Act, MCL 451.2412(6), authorizes the Administrator to deny a registration application pending final determination of an administrative proceeding.

9. The Administrator may deny Applicant's securities agent registration application under sections 412(1) and 412(4)(m) of the Securities Act, MCL 451.2412(1) and MCL 451.2412(4)(m), and Rule 451.4.27(1) because Applicant engaged in dishonest or unethical business practices in the securities industry within the previous ten years when she forged customer signatures and initials on documents.

## II. ORDER.

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The Administrator intends to deny, condition, or limit the securities agent registration application of Jennifer Basey, under section 412(1) of the Securities Act, MCL 451.2412(1), because Applicant engaged in dishonest or unethical behavior in the securities industry within the previous ten years, which supports the denial, conditioning, or limitation of her registration application under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

2. In accordance with sections 412(1) and (6) of the Securities Act, MCL 451.2412(1) and (6): This is NOTICE that the Administrator intends to deny Applicant's securities agent registration application, and that Applicant has thirty (30) calendar days after the date that this Order is served on Applicant to submit a written request to the Administrator that this matter be scheduled for a hearing. If the Administrator timely receives a written request, the Administrator shall schedule a hearing within 15 days after receipt of the written request. If a hearing is not requested by Applicant or is not ordered by the Administrator within 30 days after the date of service of this Order, Applicant's application for securities agent registration will be DENIED. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Applicant, may modify or vacate this Order or extend the Order until final determination.

3. Applicant is responsible for notifying her relevant supervisor and/or the Chief Compliance Officer of his employing firm of the issuance of this Order according to firm policies or procedures. A copy of this Order will not be mailed to Applicant's supervisor or the firm's Chief Compliance Officer. Agency representatives will only discuss this Order with a representative of Applicant's employing firm when Applicant or an attorney on Applicant's behalf is also present, because the firm is not a party to this administrative proceeding.

**If Applicant requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

By:   
Linda Clegg, Administrator and Interim Director  
Corporations, Securities & Commercial Licensing Bureau

2-12-2020  
Date