

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

CUNA Brokerage Services, Inc., and
Paul R. Sanford Jr.,

Respondents.

ODS File No. 14-012

AGREEMENT

THIS AGREEMENT is entered into by and among CUNA Brokerage Services, Inc. ("CBSI"), Paul R. Sanford Jr. ("Sanford") (collectively, "Respondents"), and the Administrator of the Oklahoma Department of Securities ("Department") (collectively, "Parties"), as of the Effective Date set forth below.

Beginning in August 2013, the Department conducted a for-cause examination of Respondents' records relating to a certain customer ("Examination"), pursuant to Section 1-410 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), and 660:11-5-43 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules"), Okla. Admin. Code §§ 660:1-1-1 through 660:25-7-1. The Examination, and subsequent investigation by the Enforcement Division of the Department, revealed deficiencies relating to Respondents' receipt and possession of certain checks made payable to a third party.

The Parties desire to expeditiously resolve this matter without the initiation of an individual proceeding or adjudication of any issue of law or fact. Respondents are entering into this Agreement without admitting or denying any violations of the Act, Rules and/or Regulations occurred.

The Parties hereto agree as follows:

1. **Jurisdiction.** The Administrator has jurisdiction over Respondents and the subject matter of this Agreement.
2. **CBSI.** CBSI will:
 - A. pay to the Department a civil penalty in the amount of \$15,000 within fifteen (15) days of the Effective Date of this Agreement;

- B. revise its written supervisory procedures and compliance manual to include a provision stating, in substance, that all securities and funds received from a person for the purpose of being deposited into a customer account once it is opened should be treated as securities and funds of a "customer"; and
 - C. provide training, through its next annual compliance meeting and/or the firm element of continuing education, regarding how securities and funds received from a person for the purpose of being deposited into a customer account once it is opened should be handled, to its agents registered under the Act.
3. **Sanford.** Sanford will retire effective September 30, 2014, and will not reapply for registration under the Act.
4. **No Coercion.** Respondents enter into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.
5. **Public Record.** Respondents acknowledge and understand that this Agreement is a public record and will be available for public examination, pursuant to Section 1-607 of the Act.
6. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Respondents in connection with the Department's Examination, except as provided for in Paragraphs 7 and 8 below.
7. **Failure to Comply.** If Respondents fail to comply with any provision of this Agreement, this Agreement shall be treated as an order issued under the Act, and the Administrator may take any action authorized by law including, but not limited to, imposing sanctions authorized by Section 1-411 of the Act.
8. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Respondents, the Administrator may assist in such action as authorized by law.
9. **Entire Agreement.** This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and

understandings of the Parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the Parties hereto.

10. **Applicability.** This Agreement applies only to the activities of Respondents, and to no others. It is further agreed that the execution of this Agreement does not mean that the Administrator has approved, condoned or passed in any way upon the merits or qualifications of, or recommended, the transactions to which it relates or any future securities transactions.

11. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year set forth below their signatures hereto.

CUNA BROKERAGE SERVICES, INC.

By: Melina C. Williams

Date: 9/12/2014

PAUL R. SANFORD JR.

Paul R. Sanford, Jr.

Date: 09/12/2014

OKLAHOMA DEPARTMENT OF SECURITIES

By: Irving L. Faught
Irving L. Faught, Administrator

Date: September 18, 2014