

4. At all times material herein, MFS was in the business of effecting transactions in securities in Pennsylvania as a "broker-dealer" within the meaning of Section 102(e) of the 1972 Act 70 P.S. § 1-102(e) and was registered pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301.
5. From in or about June 8, 2009 to June 30, 2010, Gary Miles ("Miles") was registered as an "agent" pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301 for MFS.
6. On or about June 30, 2010, Miles voluntarily resigned his "agent" registration with MFS.
7. From in or about June 27, 2012 to December 2, 2013, Miles again registered as an "agent" pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301 for MFS.
8. On or about December 2, 2013, Miles voluntarily resigned his "agent" registration with MFS.
9. On or about November 20, 2007, the former Pennsylvania Securities Commission ("PSC") issued Findings of Fact, Conclusions of Law and Order against Miles, finding that Miles violated Section 301(b) of the 1972 Act by simultaneously representing more than one broker-dealer or issuer and also engaging in dishonest and unethical practices in the securities business pursuant to Regulation 305.019(c)(2)(ii), 10 Pa. Code § 305.019(c)(2)(ii), by effecting securities transactions not recorded on the books and records of the broker-dealer which he represented and without written authorization from the broker-dealer ("PSC Order"). Under the PSC Order, Miles was ordered to comply with the 1972 Act and regulations adopted thereunder in the future.
10. In or about May 2009, when MFS submitted Miles application for registration as an agent in Pennsylvania, the PSC requested that MFS provide representations concerning how it would adequately supervise Miles' securities related activities before Miles application would be approved.

11. In or about May, 2009, MFS responded to the PSC by providing an acknowledgment and representation ("MFS Supervisory Acknowledgment") which addressed how it would fulfill its supervisory obligations over Miles' securities related activities.

12. In May 2014, Staff of the Department received a complaint ("Complaint") from a Pennsylvania resident ("PA Resident") regarding Miles' securities related activities.

13. As a result of the Complaint, the Department commenced an investigation and acquired evidence that MFS failed to adhere to the MFS Supervisory Acknowledgment, and thereby failed to reasonably supervise the securities activities of Miles.

VIOLATION

14. By engaging in the acts and conduct set forth in paragraphs 4 through 13 above, MFS failed to reasonably supervise its agent whose acts and conduct form a basis to sanction MFS pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. § 1-305(a)(vii).

AUTHORITY

15. Because MFS has failed to reasonably supervise its agents pursuant to Section 305(a)(vii) of the 1972 Act, the Department has the authority to deny, suspend, revoke or condition any registration of MFS or censure MFS.

16. Because MFS has failed to reasonably supervise its agents pursuant to Section 305(a)(vii) of the 1972 Act, the Department has the authority to impose an administrative assessment of up to \$100,000 for each act or omission that constitutes a violation, and also order MFS to pay the costs of the investigation, *see* 70 P.S. § 1-602.1(c)(1)(i) and 70 P.S. § 1-602.1(b).

RELIEF

17. Contemporaneously with the submission of an executed Order, MFS shall pay the Department an administrative assessment in the amount of \$10,000. Payment shall be made by

certified check or money order made payable to the "Department of Banking and Securities" and shall be mailed or delivered, in person, to the Bureau of Securities Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

18. MidAmerica Financial Services, Inc. is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 305(a)(vii), 70 P.S. § 1-305(a)(vii).

19. Should MidAmerica Financial Services, Inc. Inc. fail to pay the assessment as set forth in paragraphs 17 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording MidAmerica Financial Services, Inc. the option of either paying the costs and the assessment or being indefinitely subjected to the sanctions.

20. Should MidAmerica Financial Services, Inc. fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to MidAmerica Financial Services, Inc.'s right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

21. Consent. MFS hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. MFS, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

22. Entire Agreement. This Order contains the entire agreement between the Department and MFS. There are no other terms, obligations, covenants, representations,

statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and MFS.

23. Binding Nature. The Department, MFS, and all officers, owners, directors, employees, heirs and assigns of MFS intend to be and are legally bound by the terms of this Order.

24. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

25. Effectiveness. MFS hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

26. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against MFS in the future regarding all matters not resolved by this Order.

(b) MFS acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

27. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

28. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

29. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

30. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Examinations and MidAmerica Financial Services, Inc., intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES LICENSING, COMPLIANCE AND ENFORCEMENT**

Redacted

Chief, Western Region
Department of Banking and Securities

Date: 12/14/15

FOR MIDAMERICA FINANCIAL SERVICES, INC.

Redacted

(Officer Signature)

Bruce Deemer

(Print Officer Name)

Secretary

(Title)

Date: December 9, 2015

