

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: DAVID S. MILLER

FILE NO. 0400743

CONSENT ORDER OF WITHDRAWAL

**TO THE RESPONDENT:** David S. Miller  
(CRD#: 334607)  
2124 Oakcrest Drive  
Liberty, Missouri 64068

C/o General Securities Corp.  
422 E. Armour Road  
North Kansas City, Missouri 64116

WHEREAS, Respondent on the 3rd day of November 2005 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated August 8, 2005 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on October 4, 2004, NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C04040047 which sanctioned the Respondent as follows:

- a. censure;
  - b. jointly and severally fined (with another entity) \$20,000; and
  - c. suspension of ten business days from association with any NASD member firm in any capacity.
3. That the AWC listed the following background information: General Securities Corp. (hereinafter "GSC") has been a member of NASD since June 1984. GSC conducts a general securities business from its main office located in North Kansas City, Missouri. The Respondent entered the securities industry in September 1973 when he associated with a member firm of NASD. From April 11, 1984 through the present, he has been associated with GSC as its President. He is registered with NASD as a compliance options principal, direct participation programs principal, financial and operations principal, general securities principal, municipal securities principal and options principal.
4. That the AWC found:

**Registration as a Limited Representative – Equity Trader  
NASD Membership and Registration Rule 1032(f) and  
NASD Conduct Rule 2110**

- a. From August 8, 2001 February 14, 2003, GSC, acting through the Respondent, permitted the Respondent to act in a capacity requiring registration as a Limited Representative – Equity Trader (Series 55), although he was not so registered.
- b. Such acts, practices and conduct constitute separate and distinct violations of NASD Membership and Registration Rule 1032(1) and NASD Conduct Rule 2110 by GSC and the Respondent.

**Records to be Made by Certain Exchange Members, Brokers  
and Dealers SEC Rule 17a-3(a)(7) and NASD Conduct Rules  
3110 and 2110**

- c. Out of 40 transactions executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to prepare an order ticket for one transaction, failed to record the time of receipt of the customer's order for 14 transactions, and failed to reflect the time of execution for five transactions.

- d. Such acts, practices and conduct constitute separate and distinct violations of SEC Rule 17a-3 and NASD Conduct Rules 3110 and 2110 by GSC, and separate and distinct violations of NASD Conduct Rules 3110 and 2110 by the Respondent.

**Confirmation of Transactions**  
**SEC Rule 10b.10 and NASD Conduct Rules 2330 and 2110**

- e. Out of 40 transactions executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, disclosed an inaccurate capacity on one customer confirmation and failed to disclose mark-ups or mark-downs on four customer confirmations.
- f. Such acts, practices and conduct constitute separate and distinct violations of SEC Rule 10b-10 and NASD Conduct Rules 2330 and 2110 by GSC; and separate and distinct violations of NASD Conduct Rules 2330 and 2110 by the Respondent.

**Transaction Reporting for Nasdaq SmallCap Market**  
**Securities NASD Marketplace Rule 4642 and**  
**NASD Conduct Rule 2110**

- g. Out of 24 transactions involving Nasdaq SmallCap Market securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC acting through the Respondent, failed to report four transactions and failed to report accurate information for 13 transactions.
- h. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 4642 and NASD Conduct Rule 2110 by GSC and the Respondent.

**Transaction Reporting for TRACE – Eligible Securities.**  
**NASD Marketplace Rule 6230 and NASD Conduct Rule 2110**

- i. Out of three transactions involving TRACE – eligible securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report two transactions.
- j. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 6230 and NASD Conduct

Rule 2110 by GSC and the Respondent.

**Transaction Reporting for Listed Securities**  
**NASD Marketplace Rule 6420 and NASD Conduct Rule 2110**

- k. Out of eight transactions involving listed securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report three transactions and failed to report accurate information for five transactions.
- l. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 6420 and NASD conduct Rule 2110 by GSC and the Respondent.

**Transaction Reporting for Over-the-Counter Equity Securities**  
**NASD Marketplace Rule 6620 and NASD Conduct Rule 2110**

- m. Out of five transactions involving over-the-counter equity securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report one transaction and failed to report accurate information for four transactions.
  - n. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 6620 and NASD Conduct Rule 2110 by GSC and the Respondent.
- 5. That Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
  - 6. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

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That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that:

1. He shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and shall not re-apply for registration for a period of two (2) years from the entry of his Consent Order; and
2. He has submitted with the Stipulation a certified or cashier's check in the amount of One Thousand dollars (\$1000.00). Said check has been made payable to the Office of the Secretary of State, Investors Education Fund and represents reimbursement to cover the cost incurred during the investigation of this matter.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

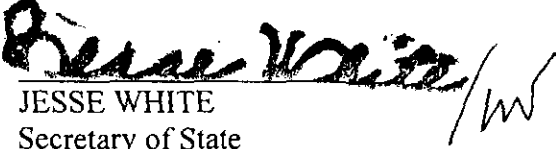
1. David S. Miller shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and shall not re-apply for registration for a period of two (2) years from the entry of this Consent Order.
2. David S. Miller is levied costs in the amount of One Thousand Dollars (\$1,000.00), payable to the Office of the Secretary of State, Investors Education Fund, and on November 3, 2005 has submitted One Thousand dollars (\$1,000.00) in payment thereof.

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3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 8<sup>th</sup> day of November 2005.

  
JESSE WHITE  
Secretary of State  
State of Illinois