

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of:)	
)	
QA3 Financial Corporation, One Valmont Plaza, 4th Floor, Omaha, Nebraska,)	FINDINGS OF FACT CONCLUSIONS OF LAW AND
)	CONSENT ORDER
RESPONDENTS.)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1124 (Reissue 2007, Supp. 2009) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 2007), the DEPARTMENT has investigated the acts of QA3 Financial Corporation, One Valmont Plaza, 4th Floor, Omaha, Nebraska. As a result of such investigation, and being fully advised and informed in the matter, the Director and QA3 Financial Corporation enter into the following Findings of Fact, Conclusions of Law and Consent Order (“Order”):

FINDINGS OF FACT

1. QA3 Financial Corporation (“QA3”) is a corporation organized under the laws of the State of Iowa, with its principal place of business at One Valmont Plaza, 4th Floor, Omaha, Nebraska. At all times relevant to this Order, QA3 was registered as a broker-dealer approved to transact a general securities business in Nebraska pursuant to Neb. Rev. Stat. § 8-1103 (Reissue 2007).

A. Rasmusson Financial Group, Inc., and Dennis Rasmusson

2. Rasmusson Financial Group, Inc. ("RFG") is registered with the DEPARTMENT as an investment adviser. Its principal place of business is located at 2453 South 191st Circle, Suite B, Omaha, Nebraska. The RFG office is also a registered branch office of QA3.

3. At all times relevant to this Order, Dennis Rasmusson ("Rasmusson") was registered as an investment adviser representative of RFG and as an agent of QA3. Rasmusson is identified on the Central Registration Depository as the person in charge of the QA3 branch office located in the RFG office.

4. During February, 2008, the DEPARTMENT conducted a routine investment adviser examination of RFG, which included an examination of the QA3 branch office.

5. During the examination, the DEPARTMENT noted that Rasmusson had misidentified the brokerage accounts of several clients at QA3 as advisory accounts. QA3 had neither discovered nor corrected the misidentification of accounts.

6. During the examination, the DEPARTMENT reviewed correspondence from Rasmusson to clients in his capacity as agent of QA3. Electronic correspondence from Rasmusson had not been approved by QA3 and Rasmusson had not submitted the correspondence to QA3 for approval.

7. During the examination, the DEPARTMENT learned that, on or about December 14, 2006, QA3 conducted an internal audit of Rasmusson, which noted several deficiencies. QA3 failed to conduct sufficient follow-up to ensure that all of the deficiencies were corrected.

B. Randall Rhodes

8. Randall C. Rhodes (“Rhodes”) was registered as an agent of QA3 between November 23, 2005 and June 2, 2008. Rhodes was registered as an investment adviser representative of QA3 from February 3, 2006 to March 8, 2007.

9. QA3 mistakenly paid investment adviser fees to Rhodes between March 2007 through December 2007, the approximate nine month period after RHODES ceased to be registered an investment adviser representative.

CONCLUSIONS OF LAW

1. The DEPARTMENT has jurisdiction over this matter pursuant to the Act.

2. 48 NAC 4.008 provides that a broker-dealer is ultimately responsible for the acts of its agents and other associated persons and must maintain reasonable supervision and control at all times.

3. The facts set forth in Findings of Fact Nos. 1 through 9 above, constitute a failure by QA3 to supervise its agents, in violation of Neb. Rev. Stat. 8-1103(9)(a)(xi) (Reissue 2007) and 48 NAC 4.008, in that:

- a. QA3 failed to review and correct Rasmusson’s misidentification of the character of client accounts;
- b. QA3 failed to sufficiently follow up on deficiencies noted at Rasmusson’s branch to ensure the deficiencies were corrected; and
- c. QA3 paid Rhodes investment adviser fees at a time when Rhodes was not registered as an independent investment adviser or as an investment adviser representative of QA3.

4. Neb. Rev. Stat. 8-1103(9) (Reissue 2007) provides, in part, that the Director may by order deny, suspend, or revoke the registration of any registrant, or bar, censure, or impose a fine pursuant to Neb. Rev. Stat. § 8-1108.01(4) on a registrant if the Director finds that (a) the order is in the public interest and (b) the registrant is a broker-dealer who has failed to adequately supervise its agents or employees to assure compliance with the Act.

5. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

6. It is in the best interest of QA3, and it is in the public's best interest, for QA3 and the Director to resolve the issues included herein.

CONSENT ORDER

NOW THEREFORE, the parties to this Order agree as follows:

Stipulations: In connection with this Order, QA3 and the Director stipulate to the following:

- a. The DEPARTMENT has jurisdiction as to all matters herein.
- b. An Order should be entered in this matter, which shall be in lieu of all other proceedings by the DEPARTMENT, except as specifically referenced in this Order.

QA3 further represents as follows:

1. QA3 is aware of its rights to a hearing on this Order at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing and any related appeal on all matters covered by this Order, is irrevocably waived.
2. QA3 is acting free from any duress or coercion of any kind or nature.

3. This Order is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for purposes of this Order and for no other purposes.

FURTHER, QA3 agrees to take whatever action is necessary to ensure compliance with all provisions of the Act in the future. If, at any time, the DEPARTMENT determines that QA3 has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

IT IS THEREFORE ORDERED as follows:

1. QA3 Financial Corporation shall pay a fine in the amount equal of fifteen thousand dollars (\$15,000.00).

2. QA3 Financial Corporation shall reimburse the DEPARTMENT for a portion of the costs of the investigation in the amount of seven thousand five hundred dollars (\$7,500.00).

3. QA3 Financial Corporation shall pay the total of the fine and costs assessed to it pursuant to this Order in the amount of twenty-two thousand five hundred dollars (\$22,500.00), by one check payable to the Nebraska Department of Banking and Finance, within thirty (30) days of the effective date of this Order.

For any person or entity not a party to this Order, this Order does not limit or create any private rights or remedies against QA3, limit or create liability of QA3, or limit or create defenses of QA3 to any claims.

Nothing herein shall preclude the State of Nebraska, its departments, agencies, boards, commissions, authorities, political subdivisions and corporations, other than the DEPARTMENT (collectively, "State Entities") and the officers, agents or employees of

State Entities from asserting any claims, causes of action, or applications for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive relief against QA3 in connection with the subject matter of this Order.

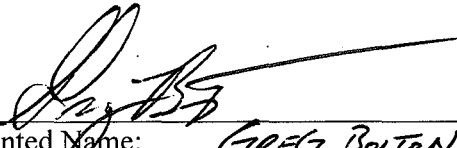
In the event that QA3 fails to comply with any of the provisions of this Order, the DEPARTMENT may commence such action as it deems necessary and appropriate in the public interest.

The effective date of this Order will be the date of the Director's signature.

DATED this 2 day of September, 2010.

QA3 FINANCIAL CORPORATION

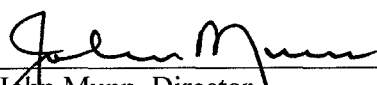
By: _____


Printed Name: Greg Bolton
Title: Vice President - General Counsel
One Valmont Plaza, 4th Floor
P.O. Box 542055
Omaha, Nebraska

DATED this 3rd day of September 2010.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

By: _____


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