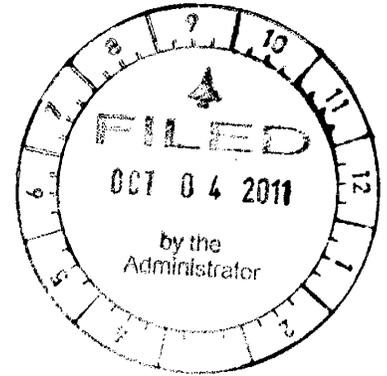


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

James Glen Russell
CRD No. 2082376,

Respondent.

ODS File No. 12-017

AGREEMENT

THIS AGREEMENT is entered into between James Glen Russell ("Russell") and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the Effective Date set forth below. The entities and persons identified in this paragraph are sometimes collectively referred to as "the Parties" and individually referred to as a "Party" in this Agreement.

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2010), the Department conducted an investigation into certain alleged activities of Russell to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") may have occurred.

Russell and the Department desire to settle this matter expeditiously in a manner consistent with the purposes fairly intended by the policies and provisions of the Act and the Rules, but without adjudication of any issue of law or fact.

The undersigned parties hereto agree as follows:

- 1. Jurisdiction.** The Administrator has jurisdiction over Russell and the subject matter of this action.
- 2. Compliance with the Act.** Russell agrees to comply with all provisions of the Act and the Rules in connection with offers and/or sales of securities in and/or from the state of Oklahoma.
- 3. Undertaking.** Russell agrees to execute an undertaking, the form of which is attached hereto as Exhibit "A", to provide prior written notice to Stifel Nicolaus & Company, Incorporated, and/or to any broker-dealer with whom he is registered as an agent (Member Firm), of all business activities outside the scope of the relationship with his Member Firm, in such form as is specified by the Member Firm and in compliance with the policies and procedures of the Member Firm.
- 4. Supervision.** Russell agrees to be subject to daily, on-site supervision from Stifel Nicolaus subject to the special supervisory guidelines attached hereto as Exhibit "B" and made a part hereof.

5. **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.

6. **Failure to Comply.** If Russell fails to comply with this Agreement in any material respect, the Department may initiate an action against Russell as authorized by the Act.

7. **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.

8. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Russell in connection with the investigation referenced above; provided, however, should Russell fail to comply with the terms of this Agreement in any material respect, the Department may initiate an action against Russell as authorized by the Act.

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

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

JAMES GLEN RUSSELL:

James Glen Russell

Date: 9-30-11

STIFEL NICOLAUS & COMPANY, INCORPORATED:

By: Janelle Conley, Janelle Conley

Title: Compliance officer

Date: 10-3-11

OKLAHOMA DEPARTMENT OF SECURITIES:

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

Date: October 4, 2011

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

In re:

James Glen Russell,
CRD No. 2082376,

Respondent.

ODS File No. 12-017

UNDERTAKING

James Glen Russell (Russell) has made application to the Oklahoma Department of Securities (Department) to register as an agent of Stifel, Nicolaus & Company, Incorporated (Stifel Nicolaus), under the Oklahoma Uniform Securities Act, (Act), 71 Okla. Stat., §§ 1-101 through 1-701 (Supp. 2010). Russell is registered with FINRA as an agent of Stifel Nicolaus.

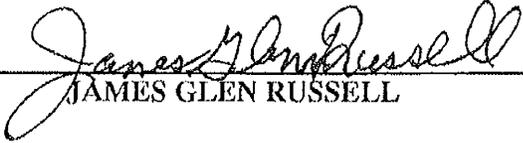
The Department is requiring Russell to acknowledge that he has read and undertakes to fully comply with the following FINRA Rule in order for him to gain registration under the Act:

Rule 3270. No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member. Passive investments and activities subject to the requirements of NASD Rule 3040 shall be exempted from this requirement.

Russell hereby undertakes to provide prior written notice to Stifel Nicolaus and/or to any broker-dealer with whom he is registered as an agent (Member Firm), of all business activities outside the scope of the relationship with his Member Firm, in such form as is specified by the Member Firm and in compliance with the policies and procedures of the Member Firm.

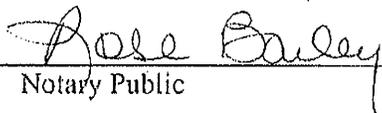
Russell represents that he submits this Undertaking voluntarily without threat or coercion by the Administrator or staff of the Department or the Oklahoma Securities Commission. The obligations of this Undertaking will continue unless and until the Administrator releases Russell from the conditions of this Undertaking.

Nothing in this Undertaking shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. If any other agency or authority commences any action against Russell in connection with any information obtained from the Department, Russell understands that the Administrator may assist in such actions as authorized by law.



JAMES GLEN RUSSELL

Subscribed and sworn to before me this 30th day of September, 2011.

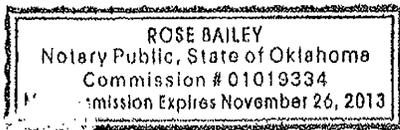


Notary Public

(SEAL)

My commission expires:

11/26/13



STIFEL NICOLAUS

To: James Russell, Financial Advisor – Tulsa, OK (TL11)

From: Gary King, Branch Manager – Tulsa, OK

CC: Chad Estep, Chief Compliance Officer
Joe Rosa, Legal
Janelle Conley, Compliance Officer

Date: September 30, 2011

Re: Special Supervision James Russell – Tulsa, OK

We are in receipt of your Form U-5 filing by Morgan Stanley Smith Barney which listed that you were discharged. Furthermore, the explanation for the termination was:

“Disagreement as to the adequacy of Financial Advisor’s disclosures of personal outside business activities, and concerns regarding Financial Advisor’s referral of clients to outside party for possible loan purchase. Financial Advisor denies any wrongdoing. No clients have complained about Financial Advisor regarding these matters.”

Morgan Stanley Smith Barney also indicated you were under an internal review at the time of the discharge. Furthermore, the explanation for the internal review was:

“Review of Financial Advisor’s involvement in outside business activities.”

Stifel Nicolaus policy requires that all outside business activities be disclosed and approved by the Compliance department. This Special Supervision Memo is being issued to James Russell regarding allegations of unapproved outside business activities and the referral of clients to an outside party for possible loan purchase. In accordance with Stifel Nicolaus’ policy and industry guidelines, the Branch Manager, Gary King, should tailor his supervision to identify and prevent the recurrence of such allegations. This memo will serve and outlines provisions for James Russell’s special supervision effective September 30, 2011. To accomplish the affirmed requirements, James Russell and Gary King, are required to adhere to specific Stifel Nicolaus requirements as follows:

- Review Stifel Nicolaus’ Compliance Policy and Procedures Manual:
 - Section 1.2 Outside Business Activities
- Mr. Russell may not act in any principal, supervisory, or managerial capacity.
- Verbal or written complaints, regulatory inquires, or investigations involving Mr. Russell are to be reported to Mr. King, the Compliance department, and the Legal department. Furthermore, Mr. Russell has agreed that verbal or written complaints involving Mr. Russell to notify:

Oklahoma Department of Securities
120 N. Robinson
First National Center, Suite 860
Oklahoma City, OK 73102.

- Mr. Russell may not engage in any outside business activities unless approved in writing by Mr. King and the Compliance department. Please review the Firm’s Compliance Policy and Procedures Manual section 1.2 *Outside Business Activities* for guidance on activities that may be considered outside business activities.
- Mr. King will review all of Mr. Russell’s incoming correspondence. Mr. Russell’s incoming correspondence should be maintained separately, with the evidence of Mr. King’s review.
- Mr. King will review all of Mr. Russell’s outgoing correspondence. Mr. Russell’s outgoing correspondence should be maintained separately, with evidence of Mr. King’s review.
- Mr. Russell will complete a quarterly Letter of Affirmation where he attests that he has not entered into any undisclosed outside business activities and is to be kept in the branch office special supervision file.

EXHIBIT

B

- Mr. King will complete a quarterly Letter of Affirmation confirming the above requirements have been met and is to be kept in the branch office special supervision file.
- Mr. King will forward a copy of the completed quarterly Letter of Affirmation to the Compliance Department. In addition, Mr. King will send a copy to:

Oklahoma Department of Securities
 Attn: Carol Gruis, Director of Examinations
 120 N. Robinson
 First National Center, Suite 860
 Oklahoma City, OK 73102.

These special supervisory provisions apply to all accounts handled under Mr. Russell's broker number and any accounts for which Mr. Russell is part of a split.

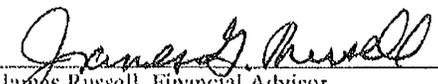
Gary King must keep documentation of the special supervision provisions and may be asked periodically to forward sample documentation to Compliance. The special supervision will be reviewed during the annual onsite branch exam visit for compliance with the above provisions. Any deficiencies noted or other disciplinary events may extend the duration of the special supervision. It is our hope that we can help you conduct and document your program so that the special supervision responsibilities may be lifted in the future.

In the event that Mr. Russell transfers to another Stifel Nicolaus office or another person assumes the duties of branch manager of the Tulsa, OK branch, Mr. Russell must provide written notification to Compliance and the new branch manager. James Russell and Gary King are responsible for informing the new branch manager of the special supervision requirements. A new special supervision document must be signed, forwarded to Compliance and maintained in the special supervision file.

The provisions of this special supervision will remain in effect for a minimum of eighteen months and until Mr. Russell and Mr. King have demonstrated compliance with the provisions in this special supervision document and that Mr. Russell has demonstrated compliance with Firm policies and regulatory rules. At that time Mr. King can request in writing that these provisions be reviewed to determine if the special supervision requirements can be terminated. The provision will remain enforce until written notification is granted by the Compliance Department.

These procedures are put in place for the benefit of James Russell, Gary King, and the firm. The procedures are necessary and are part of developing a customized program which compliments the firm's overall supervisory goals. Mr. Russell's willingness to comply indicates his understanding of the events of the past and his desire to avoid any subsequent violations.

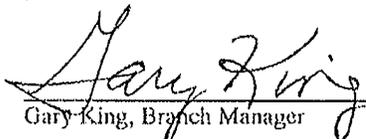
James Russell and Gary King should sign below as acknowledgement of receipt of these special supervision guidelines and additional restrictions. Furthermore, by signing below, you understand failure to comply with Stifel, NASD, FINRA and/or NYSE or any other regulatory body's rules and policies, and the above stipulations, may result in disciplinary action, including termination. Please forward a signed copy to Compliance and retain a copy in the special supervision branch file.



 James Russell, Financial Advisor
 (L11)

9-30-11

 Date



 Gary King, Branch Manager

9-30-2011

 Date

Please forward the signed original of this acknowledgement to the Compliance Department attention: Geoffrey Bright. Please call Geoffrey Bright (314-342-2882) or Janelle Conley (314-342-2772) with any questions.