Division of Securities
DEPARTMENT OF COMMERCE
P.O. BOX 146711
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114-6760
Telephone: (801) 530-6600

BEFORE THE UTAH DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE

IN THE MATTER OF **MARIO OZUNA,** **ADAM OZUNA,** and **HOME SAFETY MODIFICATION,** Respondents.	**RECOMMENDED ORDER ON MOTION FOR DEFAULT** Case Nos.: **SD-15-0059** **SD-15-0060** **SD-15-0061**

BY THE PRESIDING OFFICER:

This adjudicative proceeding was initiated pursuant to a November 20, 2015 Notice of Agency Action and Order to Show Cause. On January 12, 2016, the Presiding Officer issued an order staying the proceedings. On December 1, 2016, after the conclusion of the parallel criminal matter, the Presiding Officer issued an order lifting the stay and setting a prehearing conference for December 15, 2016. On December 16, 2016, Respondents' counsel, Rex Bray, filed a notice of appearance for all Respondents. Pursuant to the Scheduling Order, Respondents had until January 12, 2017 to file their responsive pleading. Counsel for the Division granted an extension with regard to the filing of the response of the Respondents to and including ~~May~~ March 31, 2017. The Respondents failed to file a responsive pleading on or before March 31, 2017 and the Respondents are in default. Respondents have also failed to file initial or final disclosures as required in the Scheduling Order entered in this matter.

FINDINGS OF FACT

The Presiding Officer finds that:

1. Pursuant to Utah Code § 63G-4-209(1)(c), proper factual and legal bases exist for entering a default order against Respondents by reason of the fact that the Respondents have failed to file a responsive pleading in this matter.
2. The allegations outlined in the Division's Order to Show Cause are true.
3. The limited liability company interest offered and sold to the investor by the Respondents was a security under §61-1-13 U.C.A.
4. The total amount paid for the security by the investor was an aggregate of $25,000. This entire amount has been paid in restitution to the investor pursuant to criminal proceedings initiated against the Respondents.
5. In selling the security, the Respondents made material false statements and provided the investor with materially false documents.
6. In selling the security, the Respondents failed to disclose material information about the transactions, which information was necessary in order to make the statements that were made by the Respondents not misleading.
7. The described transactions constituted violations of, and securities fraud under, §61-1-1 U.C.A.

RECOMMENDED ORDER

The Presiding Officer recommends that the Utah Securities Commission make findings and an order as follows:

a. That the allegations outlined in the Division's Order to Show Cause are true;

b. That Respondents cease and desist from engaging in any further conduct in violation

of Utah Code Ann. § 61-1-1 *et seq.*;

c. That Respondent pay a fine, jointly and severally, of $4,000.00 to the Utah Division of Securities, due and payable in full within five days of the entry of the final order; and

d. That Respondents be permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

DATED ~~April~~ May 19th, 2017.

UTAH DEPARTMENT OF COMMERCE

Bruce Dibb

Bruce Dibb, Presiding Officer

DIVISION OF SECURITIES
KEITH WOODWELL, DIRECTOR
DEPARTMENT OF COMMERCE
P.O. BOX 146741
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114-6711
Telephone: (801) 530-6628

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF: **MARIO OZUNA,** **ADAM OZUNA,** and **HOME SAFETY MODIFICATION,** Respondents.	**ORDER ON MOTION FOR DEFAULT** Case Nos.: **SD-1** S-0059 **SD-1** S-0060 **SD-1** S-0061

BY THE UTAH SECURITIES COMMISSION:

The Presiding Officer's Recommended Order on Motion for Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

ORDER

The Utah Securities Commission ("Commission") accepts the allegations outlined in the Order to Show Cause and finds that they are true. The Commission hereby orders as follows:

Default of the Respondents is entered pursuant to this Order.

Respondents are ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1 et *seq*.

Respondents shall pay a fine, jointly and severally, of $4,000.00 to the Utah Division of Securities, due and payable in full within five days of the entry of the final order.

The Respondents are permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

All further proceedings in this case are dismissed. This dismissal does not relieve Respondents from their obligation to comply with the terms of the default order. This Order shall be effective on the signature date below.

DATED this 25th day of May, 2017

UTAH SECURITIES COMMISSION:

Lyle White

Erik A. Christiansen

Brent R. Baker

Gary Cornia

Brent A. Cochran

NOTICE

Pursuant to U.C.A. §63G-4-209, a defaulted party may seek to have the agency set aside the default order, and any order in the adjudicative proceeding issued subsequent to the default order, by following the procedures outlined in the Utah Rules of Civil Procedure. A motion to set aside a default and any subsequent order shall be made to the presiding officer. A defaulted party may seek agency review under U.C.A. §63G-4-302, only on the decision of the presiding officer on the motion to set aside the default.

CERTIFICATE OF SERVICE

I hereby certify that on the 24th day of May, 2017 the undersigned served a true and correct copy of the RECOMMENDED ORDER ON MOTION FOR DEFAULT and of the foregoing ORDER ON MOTION FOR DEFAULT by email to:

Rex Bray
rexbray@hotmail.com
Counsel for Mario Ozuna, Adam Ozuna and Home Safety Modification

Jennifer R. Korb
Thomas M. Melton
Assistant Attorneys General
jkorb@utah.gov
tmelton@utah.gov
Counsel for the Division

LeeAnn Clark
Administrative Secretary

DEPARTMENT OF COMMERCE
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114
Telephone: (801) 530-6628

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF: **WILLIAM CLAYTON COX,** Respondent.	RECOMMENDED ORDER ON DIVISION'S MOTION FOR SUMMARY JUDGMENT Docket No. **SD-15-039**

BY THE PRESIDING OFFICER:

This Recommended Order addresses the Division of Securities' Motion for Summary Judgment filed against William Clayton Cox ("Respondent"). The Division has briefed the motion and no opposition has been filed by the Respondent.

PROCEDURAL BACKGROUND

The Notice of Agency Action and Order to Show Cause in this matter were sent by the Utah Division of Securities ("Division") to the Respondent on August 18, 2015. On August 25, 2015, Respondent filed a general denial of the allegations in the Order to Show Cause and requested a stay of the proceeding due to the filing of a parallel criminal action. On September 14, 2015, the Presiding Officer stayed this matter during the pendency of the criminal action.

On September 26, 2016, after the conclusion of the criminal action, the Presiding Officer lifted the stay and issued a scheduling order. On February 8, 2017, the Division filed a motion

for summary judgment (the "Motion"). The Respondent did not oppose the Motion, and on February 24, 2017, the Division filed a request to submit for decision. The parties did not request oral argument.

FINDINGS OF FACT

1. Respondent, together with two other parties, were the subject of an Order to Show Cause filed by the Division of Securities dated August 18, 2015 (Exhibit A attached to Motion).
2. Respondent was a resident of the State of Utah at all times relevant to these proceedings.
3. Respondent has never been licensed to sell securities in Utah (Exhibit C attached to Motion).
4. On July 17, 2015, the State of Utah filed a criminal action against Respondent (Exhibit D attached to Motion), arising out of the same facts as alleged in the Division's Order to Show Cause. Respondent entered a plea of "no contest" to one count of a sale by an unlicensed broker-dealer, and the state agreed to charge that action as a Class-B Misdemeanor (Exhibit G attached to Motion). Respondent was sentenced to 180 days in prison (which was suspended), and was placed on probation for a period of 12 months.
5. Respondent acted as an unlicensed agent in the sale of securities (Exhibit H attached to Motion, Transcript pp. 7 and 11-12).

CONCLUSIONS OF LAW

Rule 56 of the Utah Rules of Civil Procedure provides that the moving party is entitled to summary judgment if it demonstrates that there is "no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law." Utah R. Civ. P. 56(a) (2016). Rule 56(c) requires that this demonstration be made by "citing to particular parts of materials in the

record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for purposes of the motion only), admissions, interrogatory answers, or other materials." Utah R. Civ. P. 56(c)(l)(A). The non-moving party must support the assertion that a fact is genuinely disputed in the same fashion. *Id.* Once the moving party asserts that there are no issues of material fact in dispute, the burden shifts to the non-moving party "to present evidence that is sufficient to establish a genuine issue of material fact." *Orvis v. Johnson*, 2008 UT 2, ¶ 7, 177 P.3d 600, 602 (citing *Waddoups v. Amalgamated Sugar Co.*, 2002 UT 69, 54 P.3d 1054). In applying this standard for summary judgment, a tribunal must view the material facts to which there is no genuine issue "in the light most favorable to the nonmoving party." *Hillcrest Inv. Co. v. Utah Dep't of Transp.*, 2012 UT App 256, ¶ 11, 287 P.3d 427.

In this proceeding, the sole question presented is whether Respondent violated Section 61-1-3(1) of the Act by transacting business in Utah as a broker-dealer or agent without a license.

Violation of § 61-1-3(1) of the Act

Pursuant to Section 61-1-3(1) of the Act, "[i]t is unlawful for a person to transact business in this state as a broker-dealer or agent unless the person is licensed under this chapter." As evidence of this violation, the Division provided a certified copy of licensing records showing that the Respondent has never been licensed as a broker-dealer or agent in Utah. The Division also provided certified copies of documents from the parallel criminal action against Respondent, in which Respondent admits to transacting business in Utah as a broker-dealer or agent without a license, and acknowledges that by entering into the plea agreement he would be admitting the elements of an administrative claim filed against him by the Division. Those documents include

the Criminal Information, First Amended Criminal Information, Affidavit of Probable Cause, Sentencing Minutes, as well as a transcript of the sentencing hearing.

The Division has shown that there is no genuine issue as to any material fact and that it is entitled to judgment as a matter of law against Respondent.

I. The Division is Entitled to the Requested Sanctions

Given the facts and circumstances of this matter, as provided in the Order to Show Cause and the Division's Motion, the imposition of the requested sanctions pursuant to Section 61-1-20 of the Act is appropriate. As discussed in the Motion, the Respondent provided significant cooperation with prosecutors and was instrumental in securing the arrest of his former co-respondent, David S. Scott. In light of Respondent's cooperation, and in consideration of the other factors included in Section 61-1-3(1) of the Act, the requested fine of $10,500 is appropriate.

The facts alleged in the Order to Show Cause and admitted in the parallel criminal proceeding demonstrate that Respondent violated the Utah securities laws from November 2011 through August 2012 when he transacted business in this state as a broker-dealer or agent without a license. Respondent, together with the other parties named in the original Order to Show Cause, raised $67,500 from three Utah investors. This conduct warrants the imposition of a cease and desist order as requested by the Division as well as a bar from participating in the securities industry.

Similarly, the Utah Division of Securities has the ability to request and impose a fine pursuant to Utah Code Ann. § 61-1-31(1) and (2). As set forth by the Division in its Motion, Respondent's actions were egregious and occurred over a significant period of time.

RECOMMENDED ORDER

Based on the foregoing analysis, the Presiding Officer recommends that the Utah Securities Commission grant the Division's motion for summary judgment and order as follows.

1. That Respondent violated Section 61-1-3(1) of the Act by transacting business in Utah as a broker-dealer or agent without a license, and that the allegations outlined in the Division's Order to Show Cause are true;
2. That Respondent cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1 *et seq.*;
3. That Respondent pay a fine of $10,500 to the Utah Division of Securities, offset dollar for dollar for any restitution paid to the investors by Respondent for a period of thirty (30) days after entry of the Order on Division's Motion for Summary Judgment;
4. That, should Respondent fail to provide the Division with proof of restitution payments to investors within the 30-day period following the date of entry of the Order on Division's Motion for Summary Judgment, the full $10,500 fine shall immediately become due, payable and subject to collection;
5. That Respondent is permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

The Presiding Officer recommends that, upon entering the Order on Division's Motion for Summary Judgment, the Utah Securities Commission dismiss any further proceedings in this matter.

DATED this 15th day of May, 2017.

UTAH DEPARTMENT OF COMMERCE

Bruce Dibb
Presiding Officer

DIVISION OF SECURITIES
KEITH WOODWELL, DIRECTOR
DEPARTMENT OF COMMERCE
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114-6711

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	
WILLIAM CLAYTON COX,	**ORDER ON DIVISION'S MOTION FOR SUMMARY JUDGMENT**
RESPONDENT.	Case No. **SD-15-039**

BY THE UTAH SECURITIES COMMISSION:

The Presiding Officer's Recommended Order on Motion for Summary Judgment in this matter is hereby approved, confirmed, accepted and entered by the Utah Securities Commission.

ORDER

The Utah Securities Commission ("Commission") finds that Respondent violated Section 61-1-3(1) of the Act by transacting business in Utah as a broker-dealer or agent without a license, and accepts the allegations outlined in the Order to Show Cause and finds that they are true. The Commission hereby orders as follows:

Respondent is ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-3(1) or any other section of the Utah Uniform Securities Act.

Respondent is ordered to pay a fine of $10,500 to the Utah Division of Securities. For a

period of 30 days following the date of entry of this Order on Division's Motion for Summary Judgment, the fine shall be offset on a dollar-for-dollar basis for any restitution paid to the investors. If Respondent fails to provide the Division with proof of restitution payments to investors within the 30-day period following the date of this order, the full $10,500 fine shall immediately become due, payable and subject to collection.

Respondent is permanently barred from associating with any broker-dealer or investment adviser in Utah; from acting as an agent for any issuer raising monies in Utah; and, from being licensed in any capacity in the securities industry in Utah.

All further proceedings in this case are dismissed. This dismissal does not relieve Respondent of his obligation to comply with the terms of the Order on Division's Motion for Summary Judgment. This order shall be effective on the signature date below.

DATED this 25th day of May, 2017

UTAH SECURITIES COMMISSION:

Lyle White

Erik A. Christiansen

Brent R. Baker

Gary Cornia

Brent A. Cochran

NOTICE OF RIGHT TO ADMINISTRATIVE REVIEW

Agency review of this order may be obtained by filing a request for agency review with the Executive Director of the Department of Commerce, 160 East 300 South, Box 146701, Salt Lake City, Utah 84114-6701, within thirty (30) days after the date of this order. A motion to set aside the order may also be filed with the presiding officer. The agency action in this case was a formal proceeding. The laws and rules governing agency review of this proceeding are found in Section 63G-4-101 et seq. of the Utah Code, and Rule 151-4 of the Utah Administrative Code.

CERTIFICATE OF SERVICE

I hereby certify that on the 26th day of May, 2017 the undersigned served a true and correct copy of the foregoing ORDER ON DIVISION'S MOTION FOR SUMMARY JUDGMENT by mailing a copy through first-class mail, postage prepaid, to:

[redacted]

And caused a copy to be hand delivered to:

Jennifer Korb, Assistant Attorney General
Office of the Attorney General of Utah
Fifth Floor, Heber M. Wells Building
Salt Lake City, Utah

David Hermansen, Director of Enforcement
Utah Division of Securities
Second Floor, Heber M. Wells Building
Salt Lake City, Utah

LeeAnn Clark
Administrative Secretary

Division of Securities
Utah Department of Commerce
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Telephone: (801) 530-6600
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:	**STIPULATION AND CONSENT ORDER AS TO MY INVESTMENT ADVISOR, INC.**
ERIC LARSON SAMPSON, CRD#3269514	Docket No. SD-17-0009
MY INVESTMENT ADVISOR, INC., IARD#144616	**Docket No. SD-17-0010**
Respondents.	

The Utah Division of Securities ("Division"), by and through its Director of Compliance, Kenneth O. Barton, and Respondent My Investment Advisor, Inc. ("My IA" or "Respondent") hereby stipulate and agree as follows:

1. Respondent has been the subject of an investigation by the Division into allegations that it violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. § 61-1-1, *et seq.*, as amended.

2. On or about January 20, 2017 the Division initiated an administrative action against Respondent by filing a Petition to Revoke, Bar, and Impose a Fine.[1]

[1] The Petition also named Eric L. Sampson as a Respondent. That action remains pending.

3. Respondent hereby agrees to settle this matter with the Division by way of this Stipulation and Consent Order ("Order"). If entered, the Order will fully resolve all claims the Division has against Respondent pertaining to the Petition.

4. Respondent admits that the Division has jurisdiction over it and the subject matter of this action.

5. Respondent hereby waives any right to a hearing to challenge the Division's evidence and present evidence on its behalf.

6. Respondent has read this Order, understands its contents, and voluntarily agrees to the entry of the Order as set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondent to enter into this Order, other than as described in this Order.

7. Respondent is represented by the law firm of Kruse, Landa, Maycock and Ricks and is satisfied with the legal representation it has received.

I. FINDINGS OF FACT

The Parties

8. My IA is a Delaware corporation that is licensed with the Division as an investment adviser firm with its principal place of business in Washington, Utah. During the period relevant to this action, approximately 2010 through July 2016 ("relevant period"), My IA's principal place of business was in St. George, Utah. My IA has been licensed in Utah since January 2009.

9. Respondent Eric L. Sampson ("Sampson") is a St. George, Utah resident who was licensed as an investment adviser representative of My IA during the relevant period.

According to records contained in the Central Registration Depository ("CRD")[2], Sampson was the president and majority owner of My IA and was the designated official for My IA from 2009 until September 1, 2016 when he terminated his employment and requested the termination of his securities licenses.

10. Although he is no longer associated with My IA, as of September 29, 2016 Sampson still appeared on the web site myinvestmentadvisor.com, which described him as a "registered investment advisor representative" and "firm manager."[3]

11. As the designated official of My IA, Sampson was responsible for the supervision of My IA's business, including the accuracy of information provided to clients and information filed with the Division.

12. Niki Sampson is Sampson's wife ("Niki"). She has never been licensed in the securities industry in any capacity. For the relevant period, records filed with the Utah Division of Corporations identified her as the president and registered agent of My IA.

Sale of My IA and Present Ownership

13. In August 2016, through a stock purchase agreement ("sales agreement") with an effective date of July 1, 2016, My IA was purchased by Lindsay Nelson ("Nelson") and Danny Webb ("Webb"), two individuals who were licensed investment adviser representatives of My IA. They are currently the sole owners and principals of My IA.

14. Neither Nelson nor Webb was involved in the conduct giving rise to the Division's action as described further herein.

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[2] CRD is an electronic database maintained by the Financial Industry Regulatory Authority and the states. Among other things, CRD contains licensing and disciplinary information on broker-dealers, investment advisers, agents, and investment adviser representatives.

[3] That erroneous information has since been removed.

Sampson Business Entities

15. Shooks Run, LLC ("Shooks Run") is a Colorado limited liability corporation with a registered address in Colorado and a mailing address in St. George, Utah. Corporate records filed with the Colorado Secretary of State identify Niki as the registered agent and founder.

16. Wright Total Indoor Comfort, Inc. ("Wright") is a Colorado corporation with its principal place of business in Colorado Springs, Colorado. Wright is a heating and air conditioning ("HVAC") business controlled by Sampson. Corporate records filed with the Colorado Secretary of State identify Niki as the registered agent and founder.

17. The Hills at Santa Clara, Inc. ("The Hills") is a Utah corporation with its principal place of business in St. George, Utah. The Hills is a residential property development company that is developing and selling lots in Washington County, Utah. Utah Division of Corporations records identify Niki as registered agent, director, and president.

18. Santa Clara Hills Holding, LLC ("Hills Holding") is a Utah limited liability company with its principal place of business in St. George, Utah. It serves as the holding company for The Hills. Utah Division of Corporations records identify Sampson as registered agent and manager.[4]

19. Golden Assets, LLC ("Golden Assets") is a Utah limited liability company with its principal place of business in St. George, Utah. Utah Division of Corporations records

[4] Utah corporate filings indicate Niki was the initial registered agent and manager in May 2012. On May 25, 2012, the registered agent and manager were changed to Chandy Fabrizio, the wife of a then-investment adviser representative of My IA, Brandon Fabrizio. On August 16, 2012, the registered agent and manager were changed to Sampson.

indicate that between 2009 and November 2014 its members were Niki, as well as Arizona resident James Shepherdson and Utah resident Brent George Theobald. On November 11, 2014, Niki filed documents removing Shepherdson and Theobald as members.

20. Niki, Shooks Run, Wright, The Hills, Hills Holding, and Golden Assets are named as Respondents in an Order to Show Cause filed contemporaneously with this action. Those actions remain pending.[5]

My IA Business Model

21. My IA provides advisory services to approximately 250 clients but does not directly hold or manage client assets. Rather, My IA acts as a solicitor for other investment advisory firms that invest and manage client monies. My IA receives compensation for referring clients to those firms.

22. Accordingly, My IA's structure and business model do not permit it to take custody of client monies or investments, nor does My IA have discretionary authority to make trades in or withdrawals from client accounts.[6] My IA's Form ADV[7] filed with the Division describes its services as limited to third-party referrals as described above. Significantly,

[5] For more information see http://securities.utah.gov/dockets/17000301.pdf

[6] Advisers with custody or discretionary authority are subject to additional requirements, including maintaining a bond. *See* Utah Administrative Code Rule R164-4-5(F).

[7] Form ADV is a uniform document used by investment advisers to register with the United States Securities and Exchange Commission ("SEC") or with state securities regulators. Form ADV Part 2 requires investment advisers to prepare narrative brochures written in plain English that contain information such as the types of advisory services offered, the adviser's fee schedule, disciplinary information, conflicts of interest, and the educational and business background of management and key advisory personnel of the adviser. It also requires advisers to disclose business activities apart from their advisory business. The brochure is the primary disclosure document that investment advisers provide to their clients.

during the relevant period My IA's Form ADV did not disclose any other business activities of Sampson or My IA.

Division Examination

23. In March 2015, the Division conducted an examination of My IA, which revealed that from approximately 2010 through 2015 Sampson solicited My IA clients to invest in other businesses he directly or indirectly owns and controls, including Shooks Run, Wright and Golden Assets, raising more than $6.2 million from at least 26 investors.

24. Sampson provided only general details to investors, who believed they were investing in The Hills at Santa Clara or Sampson's HVAC business, Wright. Sampson provided no financial or disclosure documents to investors, who believed they were making the investments through My IA, and as clients of My IA. In some cases, clients liquidated investments purchased through Sampson's prior recommendations in order to instead invest in his companies.

25. As described further below, in connection with the offer and sale of promissory notes issued for those investments, Sampson misrepresented and failed to disclose material facts to investors. Sampson also converted investors' monies for personal use, and used new investor monies to pay interest to prior investors.

26. A significant portion of the monies raised by Sampson were retirement monies. Sampson had clients sign paper work to establish accounts at Equity Trust Company ("Equity Trust"), a custodial company that allows investors to hold non-traditional investments in "self-directed" individual retirement accounts ("IRAs"). Sampson then created online

logins and passwords for those accounts, which he then used to withdraw client funds and freely transfer monies among various bank accounts owned and controlled by Sampson.[8]

27. In addition, for investors with non-retirement monies Sampson had clients write checks or wire monies directly to bank accounts he owns and controls.

28. Investors were not given access to Sampson's bank information, nor were they provided information regarding the nature of the payments that were made with their funds. Investors likewise did not receive statements regarding their account balances. Account statements were instead sent to Sampson.

Investor M.R.

29. M.R. was a client of Sampson and My IA who had been friends with Sampson's family and known Sampson since Sampson was a child.

30. On or about May 1, 2012, Sampson approached M.R. to recommend M.R. invest $200,000 in IRA monies with My IA. M.R. agreed and signed a number of documents provided to him by Sampson.

31. Sampson did not disclose the purpose of the documents to M.R., and did not tell him that M.R. would be opening an account with Equity Trust, or that the purpose for the new account was to invest M.R.'s IRA monies with Shooks Run.

32. At that time, M.R. was a retired senior citizen and unsophisticated investor. Sampson was aware that M.R. had health problems. M.R. had invested other retirement monies through My IA which were maintained in an account held at Charles Schwab & Co., Inc. ("Schwab").

[8] Sampson and his wife Niki had signatory authority on the bank accounts through which investors' monies passed.

33. Sampson told M.R. that his monies would be transferred from Utah Retirement Systems ("URS"), where the monies were then invested, into M.R.'s Schwab account.

34. The documents signed by M.R. included an unsecured promissory note agreement with Shooks Run, in the amount of $200,000 with interest at the rate of 5% per annum and a term of four years. The note indicates that interest-only payments would be made annually with the first payment due June 1, 2013.

35. Although the note is signed by Niki on behalf of Shooks Run, she was not present during the meeting and Sampson represented the investment was made in M.R.'s capacity as a client of My IA.

36. On May 15, 2013, M.R.'s $200,000 was wired from Equity Trust to a Shooks Run account held at J.P. Morgan Chase ("Chase").

37. In connection with the offer and sale of the Shooks Run promissory note, Sampson directly or indirectly misrepresented material facts including but not limited to:

a. that M.R.'s investment would be made through My IA;

b. that M.R.'s funds would be invested with his other monies at Schwab; and

c. that interest-only payments of 5% would be made annually on the first of the month with the first payment on June 1, 2013.

Those representations were false.

38. In connection with the offer and sale of the Shooks Run promissory note, Sampson failed to disclose material facts, including but not limited to:

a. specific details of the investment, including information describing Shooks Run, its line of business, financial condition, and any information about making an investment in Shooks Run;

b. how M.R's monies would be used;

c. risks associated with the investment;

d. conflicts of interest;

e. that M.R.'s funds would be deposited into Shooks Run's Chase bank account ending in -2256, moved among several other bank accounts controlled by Sampson where it was combined with other investors' monies, and thereafter used to purchase real property;

f. an appraisal of the value of the real property;

g. information about encumbrances on the property;

h. that M.R. would have no legal interest in the real property purchased with his monies;

i. that Shooks Run does not have any ownership interest in the Santa Clara real property;

j. that Sampson would later characterize the investment as a "personal loan";

k. The 5% interest would not actually be added to his account or paid annually but instead falsely added to the purported account value reported by Sampson to Equity Trust;

l. Some or all of the information typically provided in an offering circular or prospectus, such as financial statements, financial history, prior liens, judgments or foreclosures, or track record for Sampson and Shooks Run;

m. a February 15, 2012 judgment against Shooks Run, Niki, and Sampson, in the amount of $785,574 arising from a foreclosure;

n. a September 15, 2011 judgment against Wright and Sampson in the amount of $35,296; and

o. whether the investment was a registered security or exempt from registration.

39. After taking M.R.'s monies, Sampson did not further discuss the investment or provide any statements reflecting the account value at Equity Trust until M.R. inquired about the account in July 2015.[9]

Investor K.R.

40. On or about May 10, 2013, Sampson approached M.R.'s wife K.R. and recommended that she invest $100,000 held in her Mountain America Credit Union checking account with My IA. Sampson told her the monies would be deposited into her Schwab account with her other monies also invested through My IA. K.R. was an unsophisticated senior investor who had never managed her own portfolio.

41. Following Sampson's instructions, K.R. wrote a check payable to "Shooks" in the amount of $100,000.00. While she thought it was peculiar to write a check to "Shooks" K.R. had, like her husband, known Sampson and his family for many years and trusted him.

[9] M.R. died in June 2016.

42. The documents signed by K.R. included an unsecured promissory note agreement with Shooks Run, in the amount of $100,000 with interest at the rate of 5% per annum and a term of seven years. The note indicates that interest-only payments would be made annually with the first payment due June 1, 2013.

43. Although the note is signed by Niki on behalf of Shooks Run, she was not present during the meeting and Sampson represented the investment was made in K.R.'s capacity as a client of My IA.

44. In connection with the offer and sale of the Shooks Run promissory note, Sampson directly or indirectly misrepresented material facts including but not limited to:

a. that K.R.'s investment would be made through My IA;

b. that K.R.'s funds would be invested with her other monies at Schwab; and

c. that interest-only payments of 5% would be made annually on the first of the month with the first payment on June 1, 2013.

Those representations were false.

45. In connection with the offer and sale of the Shooks Run promissory note, Sampson failed to disclose material facts, including but not limited to:

a. specific details of the investment, including information describing Shooks Run, its line of business, financial condition, and any information about making an investment in Shooks Run;

b. how K.R's monies would be used;

c. risks associated with the investment;

d. conflicts of interest;

e. that K.R.'s funds would be deposited into Shooks Run's Town and Country Bank ("TCB") account ending in -6365 and thereafter used for payments to various individuals and entities that were not disclosed to or authorized by K.R.;

f. that Sampson would later characterize the investment as a "personal loan";

g. The 5% interest would not actually be added to her account or paid annually;

h. Some or all of the information typically provided in an offering circular or prospectus, such as financial statements, financial history, prior liens, judgments or foreclosures, or track record for Sampson and Shooks Run;

i. a February 15, 2012 judgment against Shooks Run, Niki, and Sampson, in the amount of $785,574 arising from a foreclosure;

j. a September 15, 2011 judgment against Wright and Sampson in the amount of $35,296; and

k. whether the investment was a registered security or exempt from registration.

46. Prior to the May 10, 2013 deposit of K.R.'s monies, the Shooks Run TCB account ending in -6365 had a balance of $100.30. Her funds were used as follows:

a. on May 13, 2013, Sampson paid $31,400 to a family member, Sam Sampson. A handwritten notation on the check says "LOAN";

b. on May 14, 2013, Sampson wired $6,500 to the Equity Trust account of another promissory note investor, D.S.;

c. on May 16, 2013, Sampson transferred $206,000[10] to The Hills at Santa Clara's TCB bank account ending in -8031, including approximately $62,100 of K.R.'s invested funds. Among other things, Sampson used The Hills at Santa Clara monies as follows:

i. on May 16, 2013, $50,000 was paid to Sam Sampson;

ii. on May 16, 2013, Sampson withdrew $50,000 from the account, for which a handwritten notation on the withdrawal slip states "Greg loan";[11]

iii. between May 16 and May 22, 2013 Sampson paid approximately $194,500 to several companies and individuals, including $16,740 to Brandon Fabrizio, and a cash withdrawal of $3,260 by Fabrizio (who also had signature authority on the account), leaving a balance of $1,455.48 in The Hills at Santa Clara account.

47. After taking K.R.'s monies, Sampson did not further discuss the investment with her until K.R. inquired about the account in July 2015.

48. As described herein, Sampson's activities constitute an act, practice, or course of business that operated as a fraud or deceit upon K.R.

Investor J.J.

49. J.J. is another My IA client of Sampson's who has known the Sampson family for more than twenty years. He is 64 years old, retired, and not an experienced investor.

[10] Other investor monies had been deposited in the bank account following the deposit of K.R.'s funds.

[11] Greg Sampson is the twin brother of Sampson.

50. In August 2015, Sampson approached J.J. and recommended that J.J. liquidate $367,000 held in an IRA account with Millennium Trust Company ("Millennium Trust"). Those monies were in an investment previously recommended by Sampson.

51. Sampson characterized the new opportunity as an investment in a Santa Clara residential development and told J.J. his monies would be used for land development only.

52. J.J. had relied on Sampson for prior retirement investment recommendations and trusted him. He agreed to invest and signed a promissory note issued by Shooks Run, which would pay 9% interest per year. Sampson told J.J. the note would be secured by the property in Santa Clara.

53. J.J. believed he was making the investment as a client of My IA.

54. In connection with the offer and sale of the Shooks Run promissory note, Sampson directly or indirectly misrepresented material facts including but not limited to:

a. that J.J.'s investment would be made through My IA;

b. that J.J.'s funds would be secured by real property;

c. that J.J.'s monies would only be used for land development; and

d. that the investment would pay J.J. interest of 9% per year, purportedly generated from the revenue of the land development.

Those representations were false.

55. In connection with the offer and sale of the Shooks Run promissory note, Sampson failed to disclose material facts, including but not limited to:

a. that Shooks Run does not have any ownership interest in the Santa Clara real property;

b. that J.J.'s interest in Shooks Run is not secured by any interest in the real property;

c. an appraisal of the value of the real property;

d. information about encumbrances on the property;

e. specific details about the investment, including information describing Shooks Run, its line of business, financial condition, and any information about making an investment in Shooks Run;

f. risks associated with the investment;

g. conflicts of interest;

h. that contrary to Sampson's representations, J.J.'s funds would be deposited into Shooks Run's Chase bank account ending in -2256 and thereafter used for purposes not disclosed to or authorized by J.J., including payments to prior investors and to other businesses owned and controlled by Sampson unrelated to the Santa Clara project;

i. that Sampson would later characterize the investment as a "personal loan";

j. the 9% interest would not actually be added to his account or paid annually;

k. some or all of the information typically provided in an offering circular or prospectus, such as the financial condition of Shooks Run, financial statements, financial history, prior liens, judgments or foreclosures, or track record for Sampson and Shooks Run;

l. a February 15, 2012 judgment against Shooks Run, Niki, and Sampson, in the amount of $785,574 arising from a foreclosure;

m. a September 15, 2011 judgment against Wright and Sampson in the amount of $35,296; and

n. whether the investment was a registered security or exempt from registration.

56. On or about August 3, 2015, Sampson transferred $367,123 from J.J.'s Millennium Trust account to Shooks Run's Chase account ending in -2256. Prior to that deposit, the bank account had a balance of $1,320. The funds were then used as follows:

a. on August 14, 2015, Sampson transferred $167,123 to Golden Assets' Chase account ending in -1993, after which $167,123 was then transferred to the Equity Trust account of a prior investor, J.M., as a payment on his investment;

b. on August 14, 2015, Sampson paid $10,060 to another prior investor, L.B.;

c. on August 18, 2015, Sampson wired $55,260 to the Equity Trust account of another prior investor, K.L., as a payment on her investment;

d. on August 19, 2015 Sampson withdrew the remaining $134,000 and deposited that amount in a Zions Bank account.[12]

Similar Misrepresentations, Non-Disclosure and Misuse of Other Investors' Monies

57. Division interviews with other My IA client investors indicate that Sampson made misrepresentations and omissions similar to those described above to other investors, who were also given unsecured promissory notes with varying interest rates and maturity dates. With few exceptions[13] the notes were all signed by Niki on behalf of the issuing entity.

[12] The subsequent use of those monies is unknown at this time.
[13] Of the notes reviewed by the Division, Sampson signed five notes on behalf of Shooks Run or Golden Assets, despite lacking any corporate authority to do so.

58. Like the investors described above, others also believed they were making investments, not personal loans, and that they were doing so in their capacity as clients of Sampson and My IA.

59. In addition, bank records indicate similar misuse of other investors' monies. There are numerous instances of Sampson using investors' monies for unauthorized purposes unrelated to what investors were told, including Ponzi-style payments to previous investors, deposits to Sampson's personal bank accounts, and frequent transfer of funds among Sampson's entities.

60. Some investors were told by Sampson that their monies would be used in the Santa Clara property development. Sampson did not disclose, however, that he would also use their monies for his unrelated Colorado HVAC business, Wright. In other cases, the investor received a promissory note from Golden Assets; but rather than being used for that business, investor monies were deposited into Shooks Run accounts and putatively used for the Santa Clara project, among other things.

61. While Sampson had full access to investors' accounts, the investors did not, and did not regularly receive account statements. When the question of account statements was raised, in some cases only after the Division's inquiry, Sampson made assurances to investors that included claims that their account values were increasing in accordance with the terms of their notes, when in fact, they were not.

62. Approximately 44% of the $6,250,218 of investor monies raised by Sampson was used in a manner inconsistent with what Sampson told investors, including but not limited to:

a. at least $1,231,639 was used by Sampson for personal purposes through his transfer of the monies to a personal account, accounts unrelated to any legitimate business purpose and/or family investment accounts;

b. at least $661,109 was used to pay earlier investors or make "interest" payments to other investors;

c. at least $412,235 of Shooks Run investor monies were used for payments pertaining to Golden Assets and/or Wright;

d. at least $126,000 of Golden Assets and/or Wright investor monies were used for payments pertaining to Shooks Run; and

e. at least $321,261 in cash withdrawals, to pay the balance in overdrawn accounts, or for other unidentifiable transactions.

Form ADV - False Filings Made to Division

63. As described above, investment advisers are required file Form ADV with the Division as part of the application process and must promptly file correcting amendments when any material changes occur.[14]

64. During the relevant period, My IA's Form ADV did not contain complete and accurate material information about My IA and Sampson's outside business activities, as required by Utah Administrative Code ("UAC") Rule R164-4-3(E)(1)(d).

65. Form ADV did not disclose the existence of and extent of Sampson's outside business activities, including Sampson's solicitation of advisory clients. Form ADV did not

[14] *See* Utah Code Ann. § 61-1-5(4).

provide material disclosures about the investments or the conflicts of interest presented by Sampson's solicitations and investments.[15]

66. Form ADV likewise did not disclose that My IA and Sampson were offering securities in the form of promissory notes to clients.

67. In addition, My IA's Form ADV falsely claimed that My IA and Sampson did not take custody of client monies or exercise discretion in client accounts, both of which claims are false as evidenced by Sampson's depositing or transferring client monies into bank accounts he owned and controlled, and his use of those monies to pay personal expenses or the obligations of entities he controlled, or to pay earlier investors "returns" on their investments.

II. CONCLUSIONS OF LAW

Securities Fraud – Misrepresentations or Omissions under § 61-1-1(2) of the Act

68. As described herein, in connection with the offer, sale or purchase of securities, Respondent, through Sampson, directly or indirectly misrepresented material facts or omitted material facts necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading, in violation of Section 61-1-1(2) of the Act.

[15] When interviewed by the Division, Sampson characterized the investments by My IA clients as "loans" – a claim clearly at odds with what he told clients at the time of solicitation. Regardless, Form ADV likewise did not disclose that Sampson would seek "loans" from clients, which as described further below, constitutes a dishonest or unethical business practice under Utah Admin. Code Rule R164-6-1g(E)(6).

Securities Fraud – Act, Practice or Course of Business Operating as a Fraud or Deceit under § 61-1-1(3) of the Act

69. As described herein, in connection with the offer, sale or purchase of securities, Respondent, through Sampson, directly or indirectly engaged in an act, practice, or course of business which operated as a fraud or deceit on My IA clients, in violation of Section 61-1-1(3) of the Act. That conduct includes but is not limited to the conversion and misuse of client monies for purposes not disclosed to or authorized by investors, including personal use of monies, Ponzi payments to prior investors, and use in Sampson's unrelated businesses.

Unlawful Acts of Investment Adviser under § 61-1-2 of the Act

70. As described herein, Respondent, through Sampson, engaged in unlawful acts in violation of Section 61-1-2(1)(b) of the Act by engaging in an act, practice, or course of business operating as a fraud or deceit on My IA clients. That conduct includes but is not limited to the conversion and misuse of client monies for purposes not disclosed to or authorized by investors, including personal use of monies, Ponzi payments to prior investors, and use in Sampson's unrelated businesses.

71. In addition, taking custody of clients' funds or securities without complying with Utah Admin. Code Rule R164-2-2(B) – which requires compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 – constitutes unlawful conduct deemed to be fraudulent,

manipulative, or deceptive acts, practices or a course of business, in violation of Section 61-1-2(3) of the Act. Respondent did not comply with Rule 206(4)-2.[16]

False Statements to Division under §61-1-16 of the Act

72. As described herein, Respondent, through Sampson and Form ADV made materially false representations to the Division about My IA and Sampson, and failed to disclose material information about Respondent and the investments offered and sold to clients.

Sale of Unregistered Securities under § 61-1-7 of the Act

73. The promissory notes offered and sold by Respondent through Sampson are securities as defined under Section 61-1-13 of the Act. They were not registered with the Division, do not qualify for any exemption from registration, and are not federal covered securities for which any notice filing was made, in violation of Section 61-1-7 of the Act.

Dishonest or Unethical Practices under § 61-1-6 of the Act

Unsuitable Recommendations

74. By making unsuitable recommendations that clients invest in Sampson's outside businesses without reasonable grounds to believe such investments were suitable in light of investor objectives, financial situations and needs, and other information known by Respondent, Respondent through Sampson engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(1), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

[16] Rule 206(4)-2 imposes specific safekeeping requirements upon advisers with custody, none of which were complied with by Respondent.

Unauthorized Discretionary Power

75. By exercising discretionary power by, among other things, obtaining login information for client brokerage accounts at Equity Trust without obtaining written discretionary authority from clients, Respondent through Sampson engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(2), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Misrepresenting Qualifications

76. Respondent through Sampson misrepresented its qualifications to clients, the nature of its advisory services, and omitted material facts to make Respondent's representations, under the circumstances under which they were made, not misleading. That conduct includes, but is not limited to, telling clients the investments were offered through My IA to the clients in their capacity as My IA clients, misrepresenting Sampson's experience in real estate projects, and representing that real estate was an appropriate retirement investment for clients. In so doing, Respondent engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(8), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Conflicts of Interest

77. Respondent through Sampson failed to disclose to clients in writing and before the rendering of advice the material conflicts of interest relating to My IA and Sampson, which could reasonably be expected to impair the rendering of unbiased and objective advice. Respondent's conduct constitutes dishonest or unethical practices under Utah

Admin. Code Rule R164-6-1g(E)(11), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Custody of Client Assets

78. By taking custody or possession of client funds without complying with the requirements of Rule 206(4)-2 of the Investment Advisers Act of 1940, Respondent through Sampson engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(15), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Breach of Fiduciary Duty

79. As described herein, Respondent through Sampson engaged in numerous fraudulent acts and dishonest and unethical practices in the securities industry. Respondent's misconduct demonstrates a complete, utter abandonment of and disregard for the fiduciary duty owed to clients – unsophisticated, elderly investors who trusted that Respondent would put the clients' best interests ahead of Respondent's own – a dishonest or unethical practice under R164-6-1g(E), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

III. REMEDIAL ACTIONS/SANCTIONS

80. Respondent neither admits nor denies the Division's Findings and Conclusions, but consents to the sanctions below being imposed by the Division.

81. Respondent agrees to cease and desist from violating the Act and to comply with the requirements of the Act in all future business in this state.

82. Because Respondent's violative conduct occurred through the actions of prior owners Sampson and Niki, and predated Nelson and Webb's ownership and management of Respondent, the Division imposes no fine.

83. Respondent represents it has taken or will undertake remedial actions including but not limited to:

a. disclosing this action to all clients in writing;

b. disclosing to clients in writing that Respondent's ownership and management is separate from Sampson, Niki, the other Sampson entities and from the notes issued by the Sampson entities; and

c. other remedial measures as directed by the Division.

IV. FINAL RESOLUTION

84. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission ("Commission"), shall be the final compromise and settlement of this matter. Respondent acknowledges that the Commission is not required to approve this Order, in which case the Order shall be null and void and have no force or effect. In the event the Commission does not approve this Order, however, Respondent expressly waives any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.

85. If Respondent materially violates any term of this Order, after notice and an opportunity to be heard before an administrative law judge solely as to the issue of a material violation, Respondent consents to entry of an order in which Respondent admits the Division's Findings of Fact and Conclusions of Law. Notice of the violation will be

provided to Respondent's counsel and sent to Respondent's last known address. If Respondent fails to request a hearing within ten (10) days following notice there will be no hearing and the order granting relief will be entered. In addition, the Division may institute judicial proceedings against Respondent in any court of competent jurisdiction and take any other action authorized by the Act or under any other applicable law to collect monies owed by Respondent or to otherwise enforce the terms of this Order. Respondent further agrees to be liable for all reasonable attorneys' fees and costs associated with any collection efforts pursued by the Division, plus the judgment rate of interest.

86. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against it arising in whole or in part from its actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondent also acknowledges that any civil, criminal, arbitration or other causes of actions brought by third-parties against it have no effect on, and do not bar, this administrative action by the Division against it.

87. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way. Upon entry of the Order, any further scheduled hearings are canceled. The Order may be docketed in a court of competent jurisdiction.

Dated this 2nd day of May, 2017

Kenneth O. Barton
Director of Compliance
Utah Division of Securities

Dated this 18 day of April, 2017

Lindsey Nelson, President
My Investment Advisor, Inc.

Danny T. Webb, Vice President
My Investment Advisor, Inc.

Approved:

Tom Melton
Assistant Attorney General
Counsel for Division

Approved:

Paula W. Faerber
Kevin C. Timken
Counsel for Respondents

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are neither admitted nor denied by Respondent, are hereby entered.
2. Respondents shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in this state.
3. Because Respondent's violative conduct occurred through the actions of prior owners Sampson and Niki, and predated Nelson and Webb's ownership and management of Respondent, the Division imposes no fine.
4. Respondent undertake remedial measures as described in paragraph 83.

BY THE UTAH SECURITIES COMMISSION:

DATED this 25th day of May, 2017

Brent Baker

Erik Christiansen

Brent Cochran

Gary Cornia

Lyle White

CERTIFICATE OF MAILING

I certify that on the 26th day of May, 2017, I mailed a true and correct copy of the fully executed Stipulation and Consent Order to:

Paula W. Faerber
Kevin C. Timken
KRUSE LANDA MAYCOCK & RICKS
136 East South Temple, 21st Floor
Salt Lake City, UT 84111
Counsel for Respondent

Executive Secretary

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:	**STIPULATION AND CONSENT ORDER**
TRAVIS L. HIGGINS, CRD#4460566	**Docket No. SD-17-0011**
UCI WEALTH ADVISORS, LLC, IARD#154884	**Docket No. SD-17-0012**
Respondents.	

The Utah Division of Securities ("Division"), by and through its Director of Compliance, Kenneth O. Barton, and Respondents Travis L. Higgins ("Higgins") and UCI Wealth Advisors, LLC ("UCI")(collectively "Respondents"), hereby stipulate and agree as follows:

1. Respondents have been the subject of an investigation by the Division into allegations that they violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. § 61-1-1, *et seq.*, as amended.

2. On or about February 8, 2017 the Division initiated an administrative action against Respondents by filing a Petition to Revoke, Bar, and Impose a Fine.

3. Respondents hereby agree to settle this matter with the Division by way of this Stipulation and Consent Order ("Order"). If entered, the Order will fully resolve all claims the Division has against Respondents pertaining to the Petition.

4. Respondents admit that the Division has jurisdiction over them and the subject matter of this action.

5. Respondents hereby waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

6. Respondents have read this Order, understand its contents, and voluntarily agree to the entry of the Order as set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.

7. Respondents are represented by attorney Michael R. MacPhail.

I. FINDINGS OF FACT

8. UCI is an Idaho limited liability company with its principal place of business in Meridian, Idaho. UCI was a state-covered investment adviser from October 2010 until September 30, 2016. It became licensed in Utah on September 2, 2015 and requested withdrawal of its Utah license on September 30, 2016.

9. Higgins is a resident of Nampa, Idaho and was the owner, CEO and chief compliance officer of UCI. According to records contained in the Central Registration Depository ("CRD")[1], Higgins has taken and passed the FINRA Series 6, 63, and 65 examinations. He was licensed in Utah as an investment adviser representative of UCI from September 2015 until he requested withdrawal of his licenses on September 30, 2016. Prior to

[1] CRD is an electronic database maintained by the Financial Industry Regulatory Authority and the states. Among other things, CRD contains licensing and disciplinary information on broker-dealers, investment advisers, agents, and investment adviser representatives.

starting UCI, Higgins was licensed in Utah as a broker-dealer agent of Northwestern Mutual Investment Services, LLC from 2002 until 2010.

10. As the designated official of UCI, Higgins was responsible for the supervision of UCI's business, including the accuracy of information provided to clients and information filed with the Division.

11. UCI had approximately 100 clients whose assets totaled approximately $24,102,721. Its business model consisted mainly of referring clients to third-party money managers.

12. Higgins is currently solely licensed in Idaho as an investment adviser representative of Legacy Wealth Management, LLC, IARD#174767.

13. Cache Private Capital Management, LLC ("CPC") is a Nevada limited liability company with its principal place of business in Sandy, Utah. CPC issues securities through private placement offerings.

14. On August 9, 2016, the Colorado Division of Securities ("Colorado Division") revoked the securities licenses of UCI and Higgins, after finding that Respondents violated Colorado law by failing to disclose material conflicts of interest to clients and borrowing funds from clients to pay personal debts.[2]

15. On September 13, 2016, the Idaho Securities Bureau entered an order making similar findings, and which required, among other things, that UCI withdraw its license, for Respondents to pay a $19,700 fine, and for Higgins to be subject to heightened supervision.[3]

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[2] See https://drive.google.com/file/d/0BymCt_FLs-RGbi02V2VabnFadk0/view

[3] See http://www.finance.idaho.gov/securities/Actions/Administrative/2016/4511-2015-7-03-UCI-Wealth-Advisors-LLC-&-Higgins-Travis-A&O.pdf

16. In addition, on October 3, 2016, the Washington Securities Division filed a notice of intent to enter an order to revoke Respondents' licenses in Washington based upon the findings made by the Colorado Division. On March 3, 2017, the Washington Securities Division entered a Consent Order discussing the Idaho and Colorado orders, under which it was ordered and agreed that UCI's registration be revoked, that Mr. Higgins' registration be withdrawn, and that they should pay costs of $750.

Division Investigation

In November 2015, the Division conducted an examination of Respondents which revealed the following:

17. In early 2011, Higgins began an affiliation with CPC and began recommending CPC's private placement securities ("CPC Fund") to UCI clients. UCI charged investors a 1.75% fee for monies invested in CPC Fund.

18. During 2011 and 2012, Higgins obtained two substantial loans from CPC totaling $395,000.

19. Between May 2013 and September 2015, Higgins became directly employed by CPC as its Vice President of Business Development and received a salary of approximately $4,000 per month as well as profit sharing payments. Higgins also became a principal of three CPC affiliates: Simplified Loan Servicing, LLC, FundingDatabase.com, LLC, and Universal Management, LLC (collectively, "related entities").

20. During that period of time, a majority of Higgins' clients' assets was invested with CPC.

21. In December 2012 and April 2013 Higgins borrowed a total of $447,000 from two UCI clients to repay the CPC loans.

22. In recommending CPC to UCI clients, Higgins did not disclose that he was an officer of CPC and the related entities, that he had a financial interest in CPC, or that he was receiving compensation from CPC.

23. UCI's Form ADV[4] likewise did not disclose Respondents' affiliation with CPC and the related entities, compensation from CPC, or the material conflicts of interest presented by those relationships.

24. Although Respondents filed numerous amendments to UCI's Form ADV between 2011 and 2015, the full and accurate disclosure of their relationships with CPC and the related entities, including the loans and compensation, was not made until October 9, 2015 – nearly one month after Respondents became licensed in Utah.[5]

25. As of March 2016, 74% of UCI client monies were invested in CPC Fund and 76% of Utah client monies were invested in CPC Fund.

26. Higgins received approximately $112,000 in salary payments and at least $26,858 in profit sharing payments that were not disclosed to clients. Higgins also received $4,700 as reimbursement for travel expenses related to selling the CPC product and $5,000 in loan forgiveness from CPC.

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[4] Form ADV is a uniform document used by investment advisers to register with the United States Securities and Exchange Commission ("SEC") or with state securities regulators. Form ADV Part 2 requires investment advisers to prepare narrative brochures written in plain English that contain information such as the types of advisory services offered, the adviser's fee schedule, disciplinary information, conflicts of interest, and the educational and business background of management and key advisory personnel of the adviser. It also requires advisers to disclose business activities apart from their advisory business. The brochure is the primary disclosure document that investment advisers provide to their clients.

[5] Respondents had eight Utah clients, six of whom became clients in 2015, and one of whom became a client after Respondents made full disclosure of their activities with CPC.

27. In connection with the offer and sale of the CPC Fund, Respondents in their Form ADV Part 2A misrepresented material facts, including but not limited to:

a. UCI only received compensation directly from its clients;

b. UCI and its management persons did not have any relationship or arrangement with any issuer of securities; and

c. Higgins did not receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

Those representations were false.

28. In connection with the offer and sale of the CPC Fund, Respondents failed to disclose material facts, including but not limited to:

a. Respondents' relationship with CPC, including Higgins' employment by CPC and his status as an officer of CPC and the related entities;

b. Higgins' financial interests in CPC and the related entities, including his receipt of a salary, profit sharing, loans and loan forgiveness from CPC; and

c. that Respondents' referrals to CPC presented a material conflict of interest.

II. CONCLUSIONS OF LAW

Revocation by State Securities Administrator under § 61-1-6(2)(a)(ii)(F)

29. On August 9, 2016, the Colorado Division revoked Respondents' securities licenses, finding that Respondents violated Colorado law by failing to make mandatory disclosures, including conflicts of interest, as well as borrowing monies from clients.

30. Section 61-1-6(2)(a)(ii)(F)(II)(Aa) of the Act provides that a revocation in another state is a basis for administrative action by the Division if the facts would constitute grounds for disciplinary action in Utah.

31. As described herein, the facts that led to Respondents' revocation in Colorado – material misrepresentations and omissions, taking loans from clients, and undisclosed conflicts of interest – are grounds for administrative action under the Utah Act and revocation of Respondents' licenses is in the public interest.

Securities Fraud – Misrepresentations or Omissions under § 61-1-1(2) of the Act

32. As described in paragraphs 27 and 28, in connection with the offer, sale or purchase of securities, Respondents directly or indirectly misrepresented material facts or omitted material facts necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading, in violation of Section 61-1-1(2) of the Act.

False Statements to Division Under § 61-1-16 of the Act

33. As described above, investment advisers are required file Form ADV with the Division as part of the application process and must promptly file correcting amendments when any material changes occur.[6]

34. UCI's Form ADV did not contain complete and accurate material information about Respondents, as required by Utah Administrative Code ("UAC") Rule R164-4-3(E)(1)(d).

[6] *See* Utah Code Ann. § 61-1-5(4).

35. As described herein, Respondents through their Form ADV made materially false representations to the Division about UCI and Higgins, and failed to disclose material information about Respondents and their relationships with CPC, including their financial interests and conflicts of interest.

Dishonest or Unethical Business Practices under § 61-1-6(2)(a)(ii)(G) of the Act
(Borrowing from Clients)

36. Under Utah Code Admin. Rule R164-6-1g(E)(6), borrowing money from a client is a dishonest or unethical business practice unless the client is a broker-dealer, affiliate of the investment adviser, or a financial institution in the business of loaning funds. The two clients who lent money to Higgins do not qualify as any such institutions, warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Dishonest or Unethical Business Practices under § 61-1-6(2)(a)(ii)(G) of the Act
(Conflicts of Interest)

37. Respondents failed to disclose to clients in writing and before the rendering of advice the material conflicts of interest relating to their relationships with CPC and the related entities, which could reasonably be expected to impair the rendering of unbiased and objective advice. Respondents' conduct constitutes dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(11), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

III. REMEDIAL ACTIONS/SANCTIONS

38. Respondents neither admit nor deny the Division's Findings and Conclusions, but consent to the sanctions below being imposed by the Division.

39. Respondents represent that the information they have provided the Division as part of its investigation is accurate and complete.

40. Respondents agree to cease and desist from violating the Act and to comply with the requirements of the Act in all future business in this state.

41. Respondents agree their licenses will be revoked and going forward they will not have client(s) in Utah, will not share compensation for any client(s) in Utah, and they will not seek licensure in Utah as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent or an issuer agent.

42. Pursuant to Utah Code Ann. Section 61-1-6 and in consideration of the factors set forth in Section 61-1-31 and Respondents' financial situation and ability to pay, the Division imposes a fine of $2,500.00. Respondents shall pay the fine of $2,500 within ninety (90) days following entry of this Order.

IV. FINAL RESOLUTION

43. Respondents acknowledge that this Order, upon approval by the Utah Securities Commission ("Commission"), shall be the final compromise and settlement of this matter. Respondents acknowledge that the Commission is not required to approve this Order, in which case the Order shall be null and void and have no force or effect. In the event the Commission does not approve this Order, however, Respondents expressly waive any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.

44. If Respondents materially violate any term of this Order, after notice and an opportunity to be heard before an administrative law judge solely as to the issue of a material violation, Respondents consent to entry of an order in which Respondents:

a. admit the Division's Findings of Fact and Conclusions of Law; and

b. any remaining fine amount becomes immediately due and payable.

Notice of the violation will be provided to Respondents' counsel and sent to Respondents' last known address. If Respondents fail to request a hearing within ten (10) days following notice there will be no hearing and the order granting relief will be entered. In addition, the Division may institute judicial proceedings against Respondents in any court of competent jurisdiction and take any other action authorized by the Act or under any other applicable law to collect monies owed by Respondents or to otherwise enforce the terms of this Order. Respondents further agree to be liable for all reasonable attorneys' fees and costs associated with any collection efforts pursued by the Division, plus the judgment rate of interest.

45. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of actions brought by third-parties against them have no effect on, and do not bar, this administrative action by the Division against them.

46. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements

between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way. Upon entry of the Order, any further scheduled hearings are canceled. The Order may be docketed in a court of competent jurisdiction.

Dated this 18 day of May, 2017

Kenneth O. Barton
Director of Compliance
Utah Division of Securities

Dated this 5th day of May, 2017

[redacted]
Travis L. Higgins

[redacted]
UCI Wealth Advisors, LLC

Approved:

Jennifer Korb
Assistant Attorney General
Counsel for Division

Approved:

Michael R. MacPhail
Counsel for Respondents

between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way. Upon entry of the Order, any further scheduled hearings are canceled. The Order may be docketed in a court of competent jurisdiction.

Dated this ____ day of _____, 2017

Kenneth O. Barton
Director of Compliance
Utah Division of Securities

Dated this 5th day of May, 2017

[redacted]
Travis L. Higgins

[redacted]
UCI Wealth Advisors, LLC

Approved:

Jennifer Korb
Assistant Attorney General
Counsel for Division

Approved:

Michael R. MacPhail
Counsel for Respondents

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are neither admitted nor denied by Respondents, are hereby entered.
2. Respondents shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in this state.
3. Respondents' licenses are revoked and going forward they will not have client(s) in Utah, will not share compensation for any client(s) in Utah, and they will not seek licensure in Utah as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent or an issuer agent.
4. Pursuant to Utah Code Ann. Section 61-1-6 and in consideration of the factors set forth in Section 61-1-31 and Respondents' financial situation and ability to pay, the Division imposes a fine of $2,500.00. Respondents shall pay the fine of $2,500 within ninety (90) days following entry of this Order.

BY THE UTAH SECURITIES COMMISSION:

DATED this 25th day of May, 2017

Brent Baker

Gary Cornia

Erik Christiansen

Lyle White

Brent Cochran

CERTIFICATE OF MAILING

I certify that on the 26th day of May, 2017, I mailed a true and correct copy of the fully executed Stipulation and Consent Order to:

Michael R. MacPhail
3200 Wells Fargo Center
1700 Lincoln Street
Denver, CO 80203-4532
Counsel for Respondents

Executive Secretary