

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

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|-------------------------------------|---------------------------|
| IN THE MATTER OF: |) |
| |)ADMINISTRATIVE HEARING |
| |)NUMBER: <u>C-04-0326</u> |
| H.D. Vest Advisory Services |) |
| 6333 North State Highway 161 |) |
| Fourth Floor |) |
| Irving, Texas 75038 |) |
| |) |
| RESPONDENT | |

CONSENT AGREEMENT

I.

This agreement is hereby entered into between the State of Mississippi, Secretary of State's Office, Business Regulation and Enforcement Division (hereinafter "Division"), by and through James O. Nelson, II, Assistant Secretary of State, and H.D. VEST ADVISORY SERVICES (hereinafter "Respondent"), by and through its agent.

The Division, having the power to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act (hereinafter "Act"), and Respondent do hereby enter into this Consent Agreement in resolution of the following allegations by the Division of violations of certain provisions of the Act. The parties to this Consent Agreement hereby set forth the following facts.

1. Respondent is an investment adviser registered with the Division and is located at 6333 North State Highway 161, Fourth Floor, Irving, Texas 75038.

2. Irving Boyd, II, (hereinafter “Boyd”) is a natural person and a resident of Mississippi. Boyd’s address is 722 Belmont Street, Vicksburg, Mississippi 39180. According to both the Central Records Depository (hereinafter “CRD”) and the Division’s records, Boyd is registered as an investment adviser representative in the State of Mississippi and is in the employ of Respondent.

3. The Division has determined that Boyd’s use of the salutation “RIA” on his business cards, letterhead, and other correspondence is a violation of Mississippi Securities Act Rules (hereinafter “Rules”) 623(J) and 623 (W).

4. Rule 623(J) prohibits misrepresenting to any investment advisory client or prospective investment advisory client the qualifications of the investment adviser.

5. The Securities and Exchange Commission has commented that use of the initials “RIA” or “R.I.A.” is misleading because initials after a name usually indicate a degree or a licensed professional position for which there are certain qualifications, and there are no qualifications for becoming an investment adviser. The SEC opinion specifically indicates that the use of such initials following a name would be misleading. Thus, the Division believes the use of the initials “RIA” or “R.I.A.” is not only violative of Section 206 of the Investment Advisers Act of 1940—as is suggested in the SEC opinion—but also violative of Rule 623(J) of the Rules. Because the use of the initials “RIA” or “R.I.A.” is violative of Section 206 of the Investment Advisers Act of 1940, said conduct is violative of Rule 623(W) of the Rules.

6. The Division has determined that H.D. Vest failed to supervise Boyd in violation of Rule 621 of the Rules. Rule 621 of the Rules requires all investment advisers to establish and keep current a set of written supervisory procedures and a system for

implementing such procedures which may be reasonably expected to prevent and detect any violations of the Act and Rules. The Division believes that neither the written supervisory procedures, nor the system for implementing said procedures was reasonably expected to prevent any violations of the Act and Rules and.

7. At all times relevant herein, it was and continues to be the intent of the Respondent to comply with the requirements of the Act, and, to that end, to cooperate with the Secretary of State.

8. It is the intent of all the parties hereto to reach an expeditious and appropriate resolution to this matter.

9. Based upon the representations and information obtained by the Division's independent investigation, the Division has determined not to proceed to a hearing as to the Respondent.

NOW, THEREFORE, it is hereby agreed as follows:

10. Respondent admits to the jurisdiction of the Division as to all matters herein.

11. The Respondent consents to the imposition and payment of three thousand dollars (\$3,000.00) to be paid upon the execution of this Consent Agreement by the Respondent. Payment must be remitted to the "Mississippi Secretary of State," and must be received by the Division within fifteen (15) days of the execution of this agreement.

12. Respondent further agrees to amend its written supervisory procedures and its system for implementing such procedures so that said procedures and said system for implementing such procedures may be reasonably expected to prevent and detect the use

of the prohibited salutations and other prohibited language on business cards, letterhead, and other correspondence violative of the Act and Rules.

13. This Consent Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Consent Agreement. Furthermore, the parties herein represent that they have read each provision, understand each provision, and agree to each provision herein.

II. Other Considerations

14. Respondent recognizes, acknowledges, and stipulates that a willful failure to comply with any of the terms, conditions or obligations of this Agreement will result in Respondent being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties available under the Act.

15. Respondent is aware of its right to a hearing on this matter at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent hereby irrevocably waives the right to such a hearing.

16. Respondent understands that the entry of this Agreement represents the settlement of regulatory claims by the Division against the Respondent only and does not, in any way, restrict or affect the rights or causes of action, if any, of any Offerees who have purchased and investment from Respondent.

17. It is understood and agreed that the Division retains all rights pertaining thereto. The Division specifically retains all rights to take such other and further action that it may deem necessary to take due to the discovery of additional violations of the Act by Respondent.

18. This Consent Agreement is in resolution of the matters contained in Paragraph I. Thus, any matters in Paragraph I or any violations discovered by the Division up to the signing of this agreement will not be used as a basis for action by the Division against Respondent unless (i) Respondent fails to comply with any of the terms of this Consent Agreement or (ii) the Division discovers that Respondent has not been truthful or has otherwise misled the Division in the course of this investigation.

19. In the event Respondent, its employees or agents, fail to comply with any of the agreements, stipulations or undertakings set forth herein, the Division may determine to issue a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty, a Notice of Intent to Revoke Registration and Impose Administrative Penalty, and/or any additional order imposing any such penalties against Respondent as the Division deems appropriate and within its lawful authority codified in the Act.

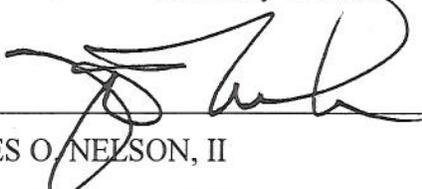
20. Respondent agrees that the costs to be paid imposed herein shall be considered non-dischargeable for the purposes of any bankruptcy proceeding filed by the Respondent.

III. Acknowledgement

The parties acknowledge that they have read this Consent Agreement in its entirety and fully understand the rights, terms, and obligations of each contained therein and they have been vested with the express authority to enter into this agreement. The parties further acknowledge that they have not been threatened or otherwise coerced into entering this Consent Agreement.

The undersigned hereby acknowledge and agree to the terms and conditions of the foregoing Agreement by written consent.

ERIC CLARK
Secretary of State

By: 
JAMES O. NELSON, II
Assistant Secretary of State

Date: 2/22/05

H.D. VEST ADVISORY SERVICES

Sign Name: 

Print Name: Daniel Wright

Title: CCO