

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of))	
Finance, Securities Bureau,))	
Complainant,))	Docket No. 1996-7-32
vs.))	AGREEMENT AND ORDER
COHIG & ASSOCIATES, INC.,))	
Respondent.))	
_____))	

The Director of the Department of Finance has instituted an investigation into the conduct of Cohig & Associates, Inc. (Respondent). Pursuant to said investigation it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 *et seq.*, have occurred. The Director and Respondent have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Respondent, without admitting or denying the allegations set forth in the Agreement and Order, consents to the entry of this Agreement and Order.

RESPONDENT

1. Cohig & Associates, Inc., a Colorado corporation, is a broker-dealer firm headquartered in Denver, Colorado. Cohig has been registered to do business in Idaho since October, 1987.

FINDINGS OF FACT

2. Through a contractual arrangement, Respondent entered

into an agreement with RCL Northwest, Inc., a now-defunct broker-dealer firm, whereby the Spokane, Washington office of RCL Northwest, Inc. became a franchise branch office of Respondent.

3. Salesmen of RCL Northwest, Inc., employed at the Spokane branch, offered and sold shares of Peripheral Systems, Inc. stock to residents of the State of Idaho. The residents were induced to purchase this stock based on the misrepresentations of the salesmen that a wholly owned subsidiary of Peripheral, Nucell, had developed a nuclear powered battery which would be highly profitable for Nucell.

4. The salesmen failed to disclose to investors that a judgment and permanent injunction under the Idaho Securities Act had been entered against Nucell in connection with misrepresentations and omissions concerning its nuclear battery.

5. After Cohig entered into an agreement with RCL Northwest, Inc. whereby the Spokane office of RCL Northwest, Inc. became a franchise branch office of Respondent, salesman offered and sold additional shares of Peripheral Systems, Inc. stock to Idaho residents representing six accounts. Those accounts each had existing positions in Peripheral before purchasing the additional shares.

6. The above described offers and sales of Peripheral securities were in violation of an antifraud provision of the Idaho Securities Act, Idaho Code §30-1403(2), in that the salesman made untrue statements of material fact and omitted to state material

facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

SANCTIONS

7. Respondent represents that the information provided to the Department of Finance by Respondent concerning these allegations is accurate and complete.

8. Respondent agrees to offer rescission to the Idaho residents identified below for losses (unreimbursed by other parties) with respect to the following amounts paid by the customers for the Peripheral stock sold to them after the Spokane office of RCL Northwest, Inc. became a franchise branch office of Cohig.

a.	Kurt & Sharon Blume	\$1,105.75
b.	Randy & Dee Hall	872.00
c.	James D. Driscoll	293.25
d.	Andy & Mary Lou Wickham	731.50
e.	Robert & Jeanne Zolber	1,262.00
f.	Arthur & Judith High	8,027.00

The offer of rescission shall be made within thirty days of the date of this Order, in a manner to be approved by the Department of Finance. Any correspondence directed to the above customers containing or in connection with the offer of rescission shall be approved by the Department of Finance before being sent to the

customers.

DONE AND DATED at Boise, Idaho this 14th day of ^{February} ~~January~~, 1996.

COHIG & ASSOCIATES, INC.

Richard G. Smith
Richard G. Smith
Attorney for Cohig

By: [Signature]
Title: C.E.O.

Marilyn T. Scanlan
Marilyn T. Scanlan
Securities Bureau Chief
Department of Finance

IT IS SO ORDERED this 15TH day of ~~January~~ ^{FEBRUARY}, 1996.

[Signature]
GAVIN M. GEE
Acting Director
Department of Finance

