

1 2. Prior to September of 2011, SCA did not have a place of business in Idaho. Also,
2 SCA represents to the Department of Finance (the "Department") that prior to September of
3 2011, it had never transacted investment advisory business in Idaho that would have required
4 filing a notice pursuant to Idaho Code § 30-14-405(c).

5 3. In September of 2011, SCA associated with two individuals, J.P. and M.D., to act
6 as investment advisor representatives of SCA. Both J.P. and M.D. are, and were at all relevant
7 times, residents of Idaho and have their principal place of business in Idaho.

8 4. J.P. and M.D. conduct their business activities through an Idaho limited liability
9 company called Straight Line Investment Group, LLC, in which they are the sole members.

10 5. Prior to joining SCA, both J.P. and M.D. were registered broker-dealer agents
11 and investment advisor representatives of Ameriprise Financial Services, Inc. J.P. and M.D.
12 resigned from Ameriprise on August 24, 2011.

13 6. Beginning in September of 2011, both J.P. and M.D. have been investment
14 advisor representatives of SCA and have provided advisory services on behalf of SCA during all
15 relevant time periods.

16 7. SCA evidenced its association with and representation by J.P. and M.D. by
17 amending its Form ADV. On November 1, 2011, SCA amended Item 10 of its Form ADV Part
18 2A adding the following disclosure, "**Straight Line Investment Group, based in Idaho Falls,
19 ID is an affiliated firm to Strategic Capital Alternatives. [J.P.] and [M.D.] are IAR's under
20 the SCA RIA. Straight Line Financial operates as a DBA under the SCA RIA. SCA does
21 not have ownership in Straight Line Investment Group.**"

22 8. Idaho Code § 30-14-405(a) requires federal covered investment advisors to file a
23 notice with the Department prior to transacting business in the state.

24 9. SCA failed to file a notice pursuant to Idaho Code § 30-14-405(c) until January 3,
25 2012, four months after it began transacting business in Idaho. SCA also failed to register J.P.

1 and M.D. as investment advisor representatives of SCA until March and April of 2012
2 respectively.

3 II

4 CONCLUSIONS OF LAW

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

6 2. SCA is and was at all relevant times a federal covered investment advisor as
7 defined in Idaho Code § 30-14-102 and is subject to the notice filing requirements of Idaho Code
8 § 30-14-405.

9 3. J.P. and M.D. are and were at all relative times investment advisor representatives
10 of SCA as defined in Idaho Code § 30-14-102(16).

11 4. SCA violated Idaho Code § 30-14-405 by transacting business in the state as a
12 federal covered advisor through the activities of J.P. and M.D. prior to filing a notice with the
13 Department.

14 III

15 AGREEMENT AND ACKNOWLEDGEMENT

16 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and SCA's
17 agreement to the entry of this Agreement and Order, the Director finds that the following
18 remedies are appropriate and in the public interest:

19 1. SCA agrees to cease and desist from violating the Act and agrees to comply with
20 all the provisions of the Act and the Rules promulgated thereunder in the future.

21 2. SCA agrees to pay a civil penalty in the amount of \$5,000. Payment shall be
22 made by certified check, bank cashier's check, bank money order, or United States postal money
23 order and shall be made payable to the order of the "Idaho Department of Finance."


24 3. SCA agrees that failure to comply with this Agreement and Order will result in
25 the Director bringing further legal proceedings.

1 4. SCA waives notice and opportunity for a hearing under Idaho Code § 30-14-
2 604(b) and (c) of the Act, and under the contested case provisions of the Idaho Administrative
3 Procedures Act, I.C. § 67-5240 et. seq.

4
5 AGREED TO and ACKNOWLEDGED this 28th day of June, 2012

6
7 
8 STRATEGIC CAPITAL ALTERNATIVES, LLC

9 By: Gary Pike
10 *Print Name*

11 
12 MARILYN T. CHASTAIN *Rm*
13 Bureau Chief, Securities Bureau
14 Department of Finance
15 State of Idaho

16 IT IS SO ORDERED

17 DATED this 5th Day of July, 2012

18
19 STATE OF IDAHO
20 DEPARTMENT OF FINANCE

21 
22 GAVIN M. GEE, Director

