

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

In the Matter of:

MARK C. SIMPSON, and  
SIMPSON HUGHES FINANCIAL, LLC  
Respondents.

Docket No. 2013-7-14

**AGREEMENT AND ORDER**

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STATE OF IDAHO  
DEPT OF FINANCE

The Director of the Idaho Department of Finance (“Department”) has instituted an investigation into the conduct of Mark Cole Simpson (“Simpson”) and Simpson Hughes Financial, LLC (“SHF”), which was an Idaho registered investment advisor. Pursuant to the investigation it appears to the Director that violations of the Idaho Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.* (the “Act”) have occurred. The Director, Simpson and SHF have agreed to resolve this matter without a public hearing or other adjudication. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Simpson and SHF neither admit nor deny the Findings of Fact and Conclusions of Law and consent to the entry of this Agreement and Order.

**I.**

**RESPONDENTS**

1. SHF was an Idaho registered investment advisor located at 904 Dearborn Street, Suite 204, in Caldwell, Idaho. SHF was registered in Idaho on June 7, 2010, but did not renew its investment advisor registration in 2015.

2. Simpson was the founder, sole owner and control person, and the qualifying officer of SHF. As the qualifying officer, Simpson was not separately registered as an investment advisor representative.

## **II.**

### **FACTS**

3. From at least July 26, 2010 to December 31, 2010, Simpson and SHF engaged in disproportionately allocating profitable day trades to Simpson's personal accounts. Simpson and SHF did allocate some profitable day-traded shares to client accounts, but the number of shares allocated to clients was disproportionately less than the number of shares allocated to his personal accounts.

4. Simpson day traded large blocks of shares in SHF's "master account." SHF was not required to immediately allocate the trades to a particular account, allowing Simpson to know if the purchase and sale of a block of shares would be profitable prior to allocation to individual accounts.

## **III.**

### **CONCLUSIONS OF LAW**

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

6. Simpson and SHF were registered as investment advisors pursuant to Section 30-14-403 of the Act during all relevant periods.

7. Simpson and SHF violated Section 30-14-502 of the Act by allocating a disproportionate amount of profitable day trades to Simpson's personal accounts while allocating a disproportionate amount of unsuccessful day trades or "position" trades to client accounts.

## **IV.**

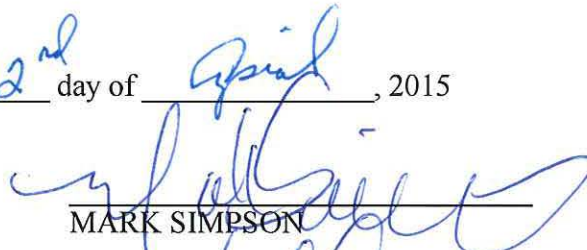
### **ORDER**


IT IS HEREBY ORDERED AND AGREED TO BY SIMPSON AND SHF that both Simpson and SHF will not apply for registration under Sections 30-14-401, 402, 403 or 404 for a period of 10 years.

Simpson and SHF understand and agree that failure to comply with this Agreement and Order will be considered a new violation and could result in the Director bringing further legal proceedings.


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

AGREED TO and ORDERED this 22<sup>nd</sup> day of April, 2015

  
\_\_\_\_\_  
MARK SIMPSON

  
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SIMPSON HUGHES FINANCIAL, LLC

By: Mark Simpson

  
\_\_\_\_\_  
JIM BURNS  
Bureau Chief, Securities Bureau  
Department of Finance  
State of Idaho

IT IS SO ORDERED

DATED this 27<sup>th</sup> Day of April, 2015

STATE OF IDAHO  
DEPARTMENT OF FINANCE

  
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GAVIN M. GEE, Director

