

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

In the Matter of:

STATE OF IDAHO,
DEPARTMENT OF FINANCE,
SECURITIES BUREAU,

Complainant,

vs.

LIFELONG INVESTMENT
MANAGEMENT SERVICES LLC
AND ERIC LEE

Respondents.

Docket No.: 2017-7-03

AGREEMENT AND ORDER

The Director of the Department of Finance (“Department”), has conducted an investigation into the conduct of LIFELONG INVESTMENT MANAGEMENT SERVICES LLC and ERIC LEE (collectively “Respondents”). Pursuant to the investigation, it appears to the Director that violations of Idaho’s Uniform Securities Act (2004), Idaho Code Sections 30-14-101, *et. seq.* (the “IUSA”), have occurred. The Director and Respondents have agreed to resolve this matter without a public hearing or other adjudication. Therefore, the Director deems it appropriate and in the public interest to enter into this Agreement and Order (“Order”). Respondents voluntarily consent to the entry of this Order.

RESPONDENTS

1. Respondent Lifelong Investment Management Services, LLC (“Lifelong”) is an Alaska limited liability company organized in August 2011 to provide investment advisory services. Lifelong has been continually registered as an investment advisor in Alaska since November of 2011 and filed for investment advisor registration in Idaho on February 29, 2016.

2. Respondent Eric Lee (“Lee”) is the sole owner and qualifying officer for Lifelong. Lee has been registered as a broker dealer agent or investment advisor representative since 2005.

BACKGROUND

3. In 2011 Lee organized Lifelong and registered it in Alaska as an investment advisor with its principal place of business in Anchorage, Alaska.

4. Respondents’ clients are primarily residents of Alaska, but some clients are residents of other states. Respondents’ clients N.N. and V.N., a married couple, moved to Kimberly, Idaho in 2014. Respondents did not have a place of business in Idaho in 2014 and were therefore exempt from investment advisor registration pursuant to Idaho Code § 30-14-403(b)(2).

5. In October of 2015, Respondents moved their principal place of business to Boise, Idaho. Respondents failed to update Lifelong’s Form ADV promptly to reflect its actual principal place of business in Idaho.

6. On February 29, 2016, Respondents filed an application for investment advisor registration in Idaho. On March 2, 2016, the Department notified Respondents in writing that the application was deficient and requested the following items to complete the application: a copy of the client contract, a balance sheet dated within 90 days of the application, and the \$25,000 indemnity bond. Respondents were also notified that the application would remain in a pending status until the required documents were received and the completed application had been reviewed and approved.

7. Respondents did not submit the required documents to the Department until December 22, 2016.

8. Since moving their principal place of business to Idaho, Respondents have provided continuous investment advisory services to their clients and charged clients for those

services. Respondents have charged their Idaho resident clients a total of \$4,109 in fees between November, 2015 and January 27, 2017.

VIOLATIONS

Unregistered Investment Advisor

9. Pursuant to Idaho Code § 30-14-403, it is unlawful to transact business in this state as an investment advisor unless the person is registered. Respondents violated Idaho Code § 30-14-403 by providing investment advice about securities to clients for a fee without registering with the Department.

AGREEMENT, ACKNOWLEDGEMENT & REMEDIES

10. Respondents consent to the entry of this Agreement and Order.

11. Respondents attest and avow that all information provided to the Department is true, accurate, and complete.

12. Respondents agree to pay an administrative penalty in the amount of five hundred dollars (\$500).

13. Respondents agree to, within 30 days from the date of this Agreement and Order, return all fees charged to Idaho clients from October 2015 to the present. Respondents agree to provide the Department a copy of the cover letter explaining the reason for the return of fees for review and approval. The amount of fees to be refunded will be the \$4,109 as disclosed by Respondents to the Department on January 27, 2017, plus any additional fees charged by Respondents prior to the effective date of this Agreement and Order. The Respondents agree to submit written documentation of all fees charged to Idaho clients with the cover letter.

14. Respondents agree to provide the Department a copy of the refund check within 3 business days of mailing to their clients.

15. Respondents agree to comply with all provisions of the IUSA and the rules promulgated thereunder in the future.

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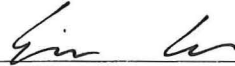
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DEPARTMENT OF FINANCE
STATE OF IDAHO

16. Respondents agree that failure to comply with this Agreement and Order may result in the Director bringing further legal proceedings or administrative action.

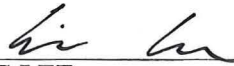
17. Respondents waive notice and opportunity for a hearing under Idaho Code § 30-14-604(b) and (c), and under the contested case provisions of the Idaho Administrative Procedures Act, I.C. §67-5240 *et. seq.* The terms contained in this Agreement and Order constitute the entire agreement between the Department and Respondents.

AGREED TO and ACKNOWLEDGED this 17th day of February, 2017



LIFELONG INVESTMENT MANAGEMENT
SERVICES, LLC

By: ERIC LEE, Owner and Managing Member

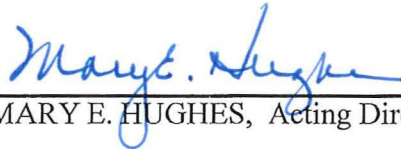


ERIC LEE

IT IS SO ORDERED

DATED this 23rd day of February, 2017.

STATE OF IDAHO
DEPARTMENT OF FINANCE



MARY E. HUGHES, Acting Director

