

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

In the matter of:

HOLLY DIANA PETERSON; and
ELITE RETIREMENT STRATEGIES, LLC.

Docket No. 2020-7-10

AGREEMENT AND ORDER

The State of Idaho, Department of Finance, acting through its Securities Bureau ("Department") has instituted an investigation into the conduct of Holly Diana Peterson and Elite Retirement Strategies, LLC (collectively "Respondents"). Pursuant to said investigation, it appears that violations of the *Idaho Uniform Securities Act (2004)* ("Act"), *Idaho Code §30-14-101 et seq.* have occurred. The Department and Respondents have agreed to resolve this matter without a public hearing or adjudication of this matter. Therefore, the Director of the Department of Finance ("Director") deems it appropriate and in the public interest that this Agreement and Order ("Order") be entered and the Respondents consent to the entry of this Order.

RESPONDENTS

1. **Holly Diana Peterson** ("Peterson") is a resident of Inkom, Idaho. Peterson has been licensed as an insurance agent with the Idaho Department of Insurance since 2013 and is the owner of Elite Retirement Strategies, LLC. Peterson has never been registered to sell securities or provide investment advice.
2. **Elite Retirement Strategies, LLC** ("Elite") initially registered with the Idaho Secretary of State in December 2015 under Peterson's assumed business name, Elite Life Services, in Idaho. The business name and entity type were changed to Elite Retirement Strategies, LLC in April 2018. Elite has never been registered as a broker-dealer or an investment adviser firm.

BACKGROUND

3. Peterson holds herself out as a Financial Adviser, Financial Consultant, Retirement Specialist, President, and Founder of Elite, a guest columnist for the Idaho State Journal, a host of "Safe

Money Radio," and the author of "Wealth in Abundance." Peterson uses retirement counseling as a marketing tool to reach new and existing clients to solicit and sell insurance products including life insurance policies and annuities.

4. Since at least 2018, Respondents have used radio, magazine publications, and Elite's website to advertise and attract new clients while highlighting variability and volatility in the stock market.
5. A radio advertisement for Peterson and Elite made the following statements:
 - a. "Instead of risking your hard-earned money in the stock market, you could get ten percent on your money, guaranteed."
 - b. "Learn how you could get ten percent guaranteed with your savings, IRA, 401k, and other retirement accounts."
6. Elite's website included an internal article titled "What Does Soaring Market Volatility Mean To You" which made the following statements:
 - a. "Regarding Stock Market Trends –What we can do is look at past performance...the market has crashed a total of 12 times...It is now 2018, so it has been 10 years since the last crash..."
 - b. "[I]f you only have two years until you retire, can you afford to lose what you have? What would happen to your retirement plan? Now, people will tell you, 'that's why I have diversified plan, so I don't lose much.' That's great for them, but I don't want to lose anything I've worked hard to save in my retirement planning."
 - c. "I don't know about you, but I don't want the majority of my portfolio to be tied to the success or failure of Wall Street. Especially right now in such a volatile market."
7. On October 9, 2018, the Respondents sent a letter to at least one client stating that they had reviewed the client's overall finances, with an emphasis on retirement income, taxes, and investments. Respondents recommended that the client reduce their "Wall Street Investments", which were 60% of their overall investment portfolio, to 15%. The client's "Wall Street Investments" were securities held in an IRA at Edward Jones.

8. On at least nine separate occasions, Peterson recommended her clients sell securities held in their portfolios. At least six of these recommendations resulted in the sale of securities positions in order to have funds to purchase life insurance and annuity products from the Respondents.
9. *Idaho Code §30-14-102(15)* defines "investment adviser" as a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation.
10. Elite, through Peterson, acted as an unregistered investment adviser by conducting investment advisory business in Idaho.
11. *Idaho Code §30-14-102(16)* defines "investment adviser representative" as an individual employed by or associated with an investment adviser or federal covered investment adviser who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.
12. Peterson acted as an investment adviser representative when she advised clients to sell securities in order to purchase insurance products. Peterson received compensation from the sale of insurance products that were purchased with funds received from sale of clients' securities. Peterson is not, and has not been, a registered investment adviser representative of Elite.

FINDINGS OF VIOLATIONS

UNREGISTERED INVESTMENT ADVISER & INVESTMENT ADVISER REPRESENTATIVE

13. Pursuant to *Idaho Code §30-14-403*, it is unlawful to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser under subsection (b) of this section. As noted in item 9 above, Elite operated as an unregistered investment adviser in Idaho.

14. Pursuant to *Idaho Code §30-14-404*, it is unlawful to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative or is exempt from registration as an investment adviser representative under subsection (b) of this section. As noted in Item 10 above, Peterson acted as an unregistered investment adviser representative of Elite.

ACKNOWLEDGEMENT AND REMEDIES

15. The parties agree to entry of this Agreement and Order in lieu of other proceedings.

16. Respondents neither admit nor deny to the Complainant's findings of violations set forth in this Order.

17. Respondents hereby waive any rights they may have to notice and opportunity for hearing on this matter.

18. Respondents agree to pay a civil penalty in the amount of three thousand dollars (\$3,000) for the violations of the Act, pursuant to *Idaho Code §30-14-604(d)*. Said civil penalty is to be paid not later than thirty (30) days from the date the Director executes this Order. Payment shall be made to the "Idaho Department of Finance."

19. Respondents agree to not now, nor in the future, provide investment advice in or from Idaho regarding securities without complying with the requirements of the Act and its rules.

20. In the event that the Respondents commit future violations of the Act or fail to adhere to the terms of this Order, Respondents acknowledge that the Idaho Department of Finance can incorporate the allegations giving rise to this Order in any future proceeding.

AGREED TO and ACKNOWLEDGED

Dated: 8/21/20

Holly Peterson
ELITE RETIREMENT STRATEGIES, LLC (Signature)

By: Holly Peterson - owner
Printed Name and Title

Dated: 8/21/20

Holly Peterson
HOLLY DIANA PETERSON (Signature)

Dated: 8/24/20

Patricia Highley
PATRICIA HIGHLEY, Securities Bureau Chief
Idaho Department of Finance

IT IS SO ORDERED

DATED this 24th day of August, 2020.



STATE OF IDAHO
DEPARTMENT OF FINANCE

Patricia R. Perkins
PATRICIA R. PERKINS, Director