

Division of Securities
Utah Department of Commerce
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF THE LICENSES OF:

ERIC LARSON SAMPSON, CRD#3269514;

**MY INVESTMENT ADVISOR, INC.,
IARD#144616**

Respondents.

**PETITION TO REVOKE, BAR AND
IMPOSE A FINE**

Docket No. SD-17-00 09

Docket No. SD-17-00 10

Pursuant to the authority of the Utah Uniform Securities Act (“Act”), Utah Code Ann. § 61-1-6, the Utah Division of Securities (the “Division”) hereby petitions the Utah Securities Commission (“Commission”) to enter an Order revoking the licenses of Respondents Eric Larson Sampson (“Sampson”) and My Investment Advisor, Inc. (“My IA”) (collectively referred to at times as “Respondents”), barring Respondents, and imposing a fine. In support of this Petition, the Division alleges the following:

STATEMENT OF FACTS

The Parties

1. My IA is a Delaware corporation that is licensed with the Division as an investment adviser firm with its principal place of business in Washington, Utah. During the period relevant to

this action, My IA's principal place of business was in St. George, Utah. My IA has been licensed in Utah since January 2009.

2. Sampson is a St. George, Utah resident who was licensed as an investment adviser representative of My IA during the period relevant to this action. He has taken and passed the FINRA Series 6, 63 and 65 examinations. According to records contained in the Central Registration Depository ("CRD")¹, Sampson is the president and majority owner of My IA and was the designated official for My IA from 2009 until September 1, 2016 when he terminated his employment and requested the termination of his securities licenses.
3. Prior to My IA, between 1999 and 2008, Sampson was licensed as an agent of five different broker-dealer firms, and from 2006 to 2008 as an investment adviser representative of one investment adviser firm.
4. Although he is no longer associated with My IA, Sampson still appears on the web site myinvestmentadvisor.com, which describes him as a "registered investment advisor representative" and "firm manager."²
5. As the designated official of My IA, Sampson was responsible for the supervision of My IA's business, including the accuracy of information provided to clients and information filed with the Division.
6. Niki Sampson is Sampson's wife ("Niki"). She has never been licensed in the securities industry in any capacity. Records filed with the Utah Division of Corporations identify her as the president and registered agent of My IA.

¹ CRD is an electronic database maintained by the Financial Industry Regulatory Authority and the states. Among other things, CRD contains licensing and disciplinary information on broker-dealers, investment advisers, agents, and investment adviser representatives.

² <http://www.myinvestmentadvisor.com/agents.cfm> (accessed September 29, 2016)

7. Shooks Run, LLC (“Shooks Run”) is a Colorado limited liability corporation with a registered address in Colorado and a mailing address in St. George, Utah. Corporate records filed with the Colorado Secretary of State identify Niki as the registered agent and founder.
8. Wright Total Indoor Comfort, Inc. (“Wright”) is a Colorado corporation with its principal place of business in Colorado Springs, Colorado. Wright is a heating and air conditioning (“HVAC”) business controlled by Sampson. Corporate records filed with the Colorado Secretary of State identify Niki as the registered agent and founder.
9. The Hills at Santa Clara, Inc. (“The Hills”) is a Utah corporation with its principal place of business in St. George, Utah. The Hills is a residential property development company that is developing and selling lots in Washington County, Utah. Utah Division of Corporations records identify Niki as registered agent, director, and president.
10. Santa Clara Hills Holding, LLC (“Hills Holding”) is a Utah limited liability company with its principal place of business in St. George, Utah. It serves as the holding company for The Hills. Utah Division of Corporations records identify Sampson as registered agent and manager.³
11. Golden Assets, LLC (“Golden Assets”) is a Utah limited liability company with its principal place of business in St. George, Utah. Utah Division of Corporations records indicate that between 2009 and November 2014 its members were Niki, as well as Arizona resident James Shepherdson and Utah resident Brent George Theobald. On November 11, 2014, Niki filed documents removing Shepherdson and Theobald as members.

³ Utah corporate filings indicate Niki was the initial registered agent and manager in May 2012. On May 25, 2012, the registered agent and manager were changed to Chandy Fabrizio, the wife of a then-investment adviser representative of My IA, Brandon Fabrizio. On August 16, 2012, the registered agent and manager were changed to Sampson.

12. Niki, Shooks Run, Wright, The Hills, Hills Holding, and Golden Assets are named as Respondents in an Order to Show Cause filed contemporaneously with this action.

My IA Business Model

13. My IA provides advisory services to approximately 250 clients but does not directly hold or manage client assets. Rather, My IA acts as a solicitor for other investment advisory firms that invest and manage client monies. My IA receives compensation for referring clients to those firms.

14. Accordingly, My IA's structure and business model do not permit it to take custody of client monies or investments, nor does My IA have discretionary authority to make trades in or withdrawals from client accounts.⁴ My IA's Form ADV⁵ filed with the Division describes its services as limited to third-party referrals as described above. Significantly, during the period relevant to this action My IA's Form ADV did not disclose any other business activities of Sampson or My IA.

Division Examination

15. In March 2015, the Division conducted an examination of My IA, which revealed that from approximately 2010 through 2015 Sampson solicited My IA clients to invest in other businesses he directly or indirectly owns and controls, including Shooks Run, Wright and Golden Assets, raising more than \$6.2 million from at least 26 investors.

⁴ Advisers with custody or discretionary authority are subject to additional requirements, including maintaining a bond. *See* Utah Administrative Code Rule R164-4-5(F).

⁵ Form ADV is a uniform document used by investment advisers to register with the United States Securities and Exchange Commission ("SEC") or with state securities regulators. Form ADV Part 2 requires investment advisers to prepare narrative brochures written in plain English that contain information such as the types of advisory services offered, the adviser's fee schedule, disciplinary information, conflicts of interest, and the educational and business background of management and key advisory personnel of the adviser. It also requires advisers to disclose business activities apart from their advisory business. The brochure is the primary disclosure document that investment advisers provide to their clients.

16. Sampson provided only general details to investors, who believed they were investing in The Hills at Santa Clara or Sampson's HVAC business, Wright. Sampson provided no financial or disclosure documents to investors, who believed they were making the investments through My IA, and as clients of My IA. In some cases, clients liquidated investments purchased through Sampson's prior recommendations in order to instead invest in his companies.
17. As described further below, in connection with the offer and sale of promissory notes issued for those investments, Sampson misrepresented and failed to disclose material facts to investors. Sampson also converted investors' monies for personal use, and used new investor monies to pay interest to prior investors.
18. A significant portion of the monies raised by Sampson were retirement monies. Sampson had clients sign paper work to establish accounts at Equity Trust Company ("Equity Trust"), a custodial company that allows investors to hold non-traditional investments in "self-directed" individual retirement accounts ("IRAs"). Sampson then created online logins and passwords for those accounts, which he then used to withdraw client funds and freely transfer monies among various bank accounts owned and controlled by Sampson.⁶
19. In addition, for investors with non-retirement monies Sampson had clients write checks or wire monies directly to bank accounts he owns and controls.
20. Investors were not given access to Sampson's bank information, nor were they provided information regarding the nature of the payments that were made with their funds. Investors likewise did not receive statements regarding their account balances. Account statements were instead sent to Sampson.

⁶ Sampson and his wife Niki had signatory authority on the bank accounts through which investors' monies passed.

Sampson's Outside Businesses

Initial Denials

21. Sampson was interviewed three times by the Division: by telephone on March 12 and March 16, 2015, and in person on July 17, 2015.
22. Sampson was not forthcoming with regard to his outside businesses, despite the fact that at least 26 My IA clients had invested in them. For example, when asked about Shooks Run, Sampson initially spoke about it in the past tense, claiming it was just a commercial building he had previously owned in Colorado that had not been an active business for three years. When asked about Wright, he told the Division that he spends "a little bit of time there" but that his wife Niki "runs that company." With regard to Golden Assets, Sampson told the Division "it's my wife's entity" the purpose of which "was just to move real estate in and out of."
23. When specifically asked about any other real estate-related or other businesses or entities owned by him, Sampson answered "Ah, me personally, no. My wife owns some, but I don't own any."
24. After the second telephonic interview, the Division requested additional information and documentation pertaining to the other business entities and Sampson's raising of funds.
25. During his third interview, Sampson acknowledged his role as the principal of The Hills at Santa Clara project as well as of the other entities described above. He also admitted Shooks Run was actually currently active, describing it as an entity that "lends money to The Hills at Santa Clara" and that Golden Assets has lent money to Wright.

26. Sampson further acknowledged he had raised funds from My IA clients for those businesses. He likewise admitted that his wife Niki has minimal involvement in those entities, which are actually managed and controlled by him.

Investor M.R.

27. M.R. was a client of Sampson and My IA who had been friends with Sampson's family and known Sampson since Sampson was a child.

28. On or about May 1, 2012, Sampson approached M.R. to recommend M.R. invest \$200,000 in IRA monies with My IA. M.R. agreed and signed a number of documents provided to him by Sampson.

29. Sampson did not disclose the purpose of the documents to M.R., and did not tell him that M.R. would be opening an account with Equity Trust, or that the purpose for the new account was to invest M.R.'s IRA monies with Shooks Run.

30. At that time, M.R. was a retired senior citizen and unsophisticated investor. Sampson was aware that M.R. had health problems. M.R. had invested other retirement monies through My IA which were maintained in an account held at Charles Schwab & Co., Inc. ("Schwab").

31. Sampson told M.R. that his monies would be transferred from Utah Retirement Systems ("URS"), where the monies were then invested, into M.R.'s Schwab account.

32. The documents signed by M.R. included an unsecured promissory note agreement with Shooks Run, in the amount of \$200,000 with interest at the rate of 5% per annum and a term of four years. The note indicates that interest-only payments would be made annually with the first payment due June 1, 2013.

33. Although the note is signed by Niki on behalf of Shooks Run, she was not present during the meeting and Sampson represented the investment was made in M.R.'s capacity as a client of My IA.
34. On May 15, 2013, M.R.'s \$200,000 was wired from Equity Trust to a Shooks Run account held at J.P. Morgan Chase ("Chase").
35. In connection with the offer and sale of the Shooks Run promissory note, Sampson directly or indirectly misrepresented material facts including but not limited to:
- a. that M.R.'s investment would be made through My IA;
 - b. that M.R.'s funds would be invested with his other monies at Schwab; and
 - c. that interest-only payments of 5% would be made annually on the first of the month with the first payment on June 1, 2013.

Those representations were false.

36. In connection with the offer and sale of the Shooks Run promissory note, Sampson failed to disclose material facts, including but not limited to:
- a. specific details of the investment, including information describing Shooks Run, its line of business, financial condition, and any information about making an investment in Shooks Run;
 - b. how M.R.'s monies would be used;
 - c. risks associated with the investment;
 - d. conflicts of interest;
 - e. that M.R.'s funds would be deposited into Shooks Run's Chase bank account ending in -2256, moved among several other bank accounts controlled by

Sampson where it was combined with other investors' monies, and thereafter used to purchase real property;

- f. an appraisal of the value of the real property;
- g. information about encumbrances on the property;
- h. that M.R. would have no legal interest in the real property purchased with his monies;
- i. that Shooks Run does not have any ownership interest in the Santa Clara real property;
- j. that Sampson would later characterize the investment as a "personal loan";
- k. The 5% interest would not actually be added to his account or paid annually but instead falsely added to the purported account value reported by Sampson to Equity Trust;
- l. Some or all of the information typically provided in an offering circular or prospectus, such as financial statements, financial history, prior liens, judgments or foreclosures, or track record for Sampson and Shooks Run;
- m. a February 15, 2012 judgment against Shooks Run, Niki, and Sampson, in the amount of \$785,574 arising from a foreclosure;
- n. a September 15, 2011 judgment against Wright and Sampson in the amount of \$35,296; and
- o. whether the investment was a registered security or exempt from registration.

37. After taking M.R.'s monies, Sampson did not further discuss the investment or provide any statements reflecting the account value at Equity Trust until M.R. inquired about the account in July 2015.⁷

Investor K.R.

38. On or about May 10, 2013, Sampson approached M.R.'s wife K.R. and recommended that she invest \$100,000 held in her Mountain America Credit Union checking account with My IA. Sampson told her the monies would be deposited into her Schwab account with her other monies also invested through My IA. K.R. was an unsophisticated senior investor who had never managed her own portfolio.

39. Following Sampson's instructions, K.R. wrote a check payable to "Shooks" in the amount of \$100,000.00. While she thought it was peculiar to write a check to "Shooks" K.R. had, like her husband, known Sampson and his family for many years and trusted him.

40. The documents signed by K.R. included an unsecured promissory note agreement with Shooks Run, in the amount of \$100,000 with interest at the rate of 5% per annum and a term of seven years. The note indicates that interest-only payments would be made annually with the first payment due June 1, 2013.

41. Although the note is signed by Niki on behalf of Shooks Run, she was not present during the meeting and Sampson represented the investment was made in K.R.'s capacity as a client of My IA.

42. In connection with the offer and sale of the Shooks Run promissory note, Sampson directly or indirectly misrepresented material facts including but not limited to:

- a. that K.R.'s investment would be made through My IA;

⁷ M.R. died in June 2016.

- b. that K.R.'s funds would be invested with her other monies at Schwab; and
- c. that interest-only payments of 5% would be made annually on the first of the month with the first payment on June 1, 2013.

Those representations were false.

43. In connection with the offer and sale of the Shooks Run promissory note, Sampson failed to disclose material facts, including but not limited to:

- a. specific details of the investment, including information describing Shooks Run, its line of business, financial condition, and any information about making an investment in Shooks Run;
- b. how K.R.'s monies would be used;
- c. risks associated with the investment;
- d. conflicts of interest;
- e. that K.R.'s funds would be deposited into Shooks Run's Town and Country Bank ("TCB") account ending in -6365 and thereafter used for payments to various individuals and entities that were not disclosed to or authorized by K.R.;
- f. that Sampson would later characterize the investment as a "personal loan";
- g. The 5% interest would not actually be added to her account or paid annually;
- h. Some or all of the information typically provided in an offering circular or prospectus, such as financial statements, financial history, prior liens, judgments or foreclosures, or track record for Sampson and Shooks Run;
- i. a February 15, 2012 judgment against Shooks Run, Niki, and Sampson, in the amount of \$785,574 arising from a foreclosure;

- j. a September 15, 2011 judgment against Wright and Sampson in the amount of \$35,296; and
- k. whether the investment was a registered security or exempt from registration.

44. Prior to the May 10, 2013 deposit of K.R.'s monies, the Shooks Run TCB account ending in -6365 had a balance of \$100.30. Her funds were used as follows:

- a. on May 13, 2013, Sampson paid \$31,400 to a family member, Sam Sampson. A handwritten notation on the check says "LOAN";
- b. on May 14, 2013, Sampson wired \$6,500 to the Equity Trust account of another promissory note investor, D.S.;
- c. on May 16, 2013, Sampson transferred \$206,000⁸ to The Hills at Santa Clara's TCB bank account ending in -8031, including approximately \$62,100 of K.R.'s invested funds. Among other things, Sampson used The Hills at Santa Clara monies as follows:
 - i. on May 16, 2013, \$50,000 was paid to Sam Sampson;
 - ii. on May 16, 2013, Sampson withdrew \$50,000 from the account, for which a handwritten notation on the withdrawal slip states "Greg loan";⁹
 - iii. between May 16 and May 22, 2013 Sampson paid approximately \$194,500 to several companies and individuals, including \$16,740 to Brandon Fabrizio, and a cash withdrawal of \$3,260 by Fabrizio (who also had signature authority on the account), leaving a balance of \$1,455.48 in The Hills at Santa Clara account.

⁸ Other investor monies had been deposited in the bank account following the deposit of K.R.'s funds.

⁹ Greg Sampson is the twin brother of Sampson.

45. After taking K.R.'s monies, Sampson did not further discuss the investment with her until K.R. inquired about the account in July 2015.

46. As described herein, Sampson's activities constitute an act, practice, or course of business that operated as a fraud or deceit upon K.R.

Investor J.J.

47. J.J. is another My IA client of Sampson's who has known the Sampson family for more than twenty years. He is 64 years old, retired, and not an experienced investor.

48. In August 2015, Sampson approached J.J. and recommended that J.J. liquidate \$367,000 held in an IRA account with Millennium Trust Company ("Millennium Trust"). Those monies were in an investment previously recommended by Sampson.

49. Sampson characterized the new opportunity as an investment in a Santa Clara residential development and told J.J. his monies would be used for land development only.

50. J.J. had relied on Sampson for prior retirement investment recommendations and trusted him. He agreed to invest and signed a promissory note issued by Shooks Run, which would pay 9% interest per year. Sampson told J.J. the note would be secured by the property in Santa Clara.

51. J.J. believed he was making the investment as a client of My IA.

52. In connection with the offer and sale of the Shooks Run promissory note, Sampson directly or indirectly misrepresented material facts including but not limited to:

- a. that J.J.'s investment would be made through My IA;
- b. that J.J.'s funds would be secured by real property; and
- c. that J.J.'s monies would only be used for land development; and

- d. that the investment would pay J.J. interest of 9% per year, purportedly generated from the revenue of the land development.

Those representations were false.

53. In connection with the offer and sale of the Shooks Run promissory note, Sampson failed to disclose material facts, including but not limited to:

- a. that Shooks Run does not have any ownership interest in the Santa Clara real property;
- b. that J.J.'s interest in Shooks Run is not secured by any interest in the real property;
- c. an appraisal of the value of the real property;
- d. information about encumbrances on the property;
- e. specific details about the investment, including information describing Shooks Run, its line of business, financial condition, and any information about making an investment in Shooks Run;
- f. risks associated with the investment;
- g. conflicts of interest;
- h. that contrary to Sampson's representations, J.J.'s funds would be deposited into Shooks Run's Chase bank account ending in -2256 and thereafter used for purposes not disclosed to or authorized by J.J., including payments to prior investors and to other businesses owned and controlled by Sampson unrelated to the Santa Clara project;
- i. that Sampson would later characterize the investment as a "personal loan";
- j. the 9% interest would not actually be added to his account or paid annually;

- k. some or all of the information typically provided in an offering circular or prospectus, such as the financial condition of Shooks Run, financial statements, financial history, prior liens, judgments or foreclosures, or track record for Sampson and Shooks Run;
 - l. a February 15, 2012 judgment against Shooks Run, Niki, and Sampson, in the amount of \$785,574 arising from a foreclosure;
 - m. a September 15, 2011 judgment against Wright and Sampson in the amount of \$35,296; and
 - n. whether the investment was a registered security or exempt from registration.
54. On or about August 3, 2015, Sampson transferred \$367,123 from J.J.'s Millennium Trust account to Shooks Run's Chase account ending in -2256. Prior to that deposit, the bank account had a balance of \$1,320. The funds were then used as follows:
- a. on August 14, 2015, Sampson transferred \$167,123 to Golden Assets' Chase account ending in -1993, after which \$167,123 was then transferred to the Equity Trust account of a prior investor, J.M., as a payment on his investment;
 - b. on August 14, 2015, Sampson paid \$10,060 to another prior investor, L.B.;
 - c. on August 18, 2015, Sampson wired \$55,260 to the Equity Trust account of another prior investor, K.L., as a payment on her investment;
 - d. on August 19, 2015 Sampson withdrew the remaining \$134,000 and deposited that amount in a Zions Bank account.¹⁰

¹⁰ The subsequent use of those monies is unknown at this time.

Similar Misrepresentations, Non-Disclosure and Misuse of Other Investors' Monies

55. Division interviews with other My IA client investors indicate that Sampson made misrepresentations and omissions similar to those described above to other investors, who were also given unsecured promissory notes with varying interest rates and maturity dates. With few exceptions¹¹ the notes were all signed by Niki on behalf of the issuing entity.
56. Like the investors described above, others also believed they were making investments, not personal loans, and that they were doing so in their capacity as clients of Sampson and My IA.
57. In addition, bank records indicate similar misuse of other investors' monies. There are numerous instances of Sampson using investors' monies for unauthorized purposes unrelated to what investors were told, including Ponzi-style payments to previous investors, deposits to Sampson's personal bank accounts, and frequent transfer of funds among Sampson's entities.
58. Some investors were told by Sampson that their monies would be used in the Santa Clara property development. Sampson did not disclose, however, that he would also use their monies for his unrelated Colorado HVAC business, Wright. In other cases, the investor received a promissory note from Golden Assets; but rather than being used for that business, investor monies were deposited into Shooks Run accounts and putatively used for the Santa Clara project, among other things.
59. While Sampson had full access to investors' accounts, the investors did not, and did not regularly receive account statements. When the question of account statements was raised, in some cases only after the Division's inquiry, Sampson made assurances to investors that

¹¹ Of the notes reviewed by the Division, Sampson signed five notes on behalf of Shooks Run or Golden Assets, despite lacking any corporate authority to do so.

included claims that their account values were increasing in accordance with the terms of their notes, when in fact, they were not.

60. Approximately 44% of the \$6,250,218 of investor monies raised by Sampson was used in a manner inconsistent with what Sampson told investors, including but not limited to:

- a. at least \$1,231,639 was used by Sampson for personal purposes through his transfer of the monies to a personal account, accounts unrelated to any legitimate business purpose and/or family investment accounts;
- b. at least \$661,109 was used to pay earlier investors or make “interest” payments to other investors;
- c. at least \$412,235 of Shooks Run investor monies were used for payments pertaining to Golden Assets and/or Wright;
- d. at least \$126,000 of Golden Assets and/or Wright investor monies were used for payments pertaining to Shooks Run; and
- e. at least \$321,261 in cash withdrawals, to pay the balance in overdrawn accounts, or for other unidentifiable transactions.

Form ADV - False Filings Made to Division

61. As described above, investment advisers are required file Form ADV with the Division as part of the application process and must promptly file correcting amendments when any material changes occur.¹²

62. My IA’s Form ADV did not contain complete and accurate material information about My IA and Sampson’s outside business activities, as required by Utah Administrative Code (“UAC”) Rule R164-4-3(E)(1)(d).

¹² See Utah Code Ann. § 61-1-5(4).

63. Form ADV did not disclose the existence of and extent of Sampson's outside business activities, including Sampson's solicitation of advisory clients. Form ADV did not provide material disclosures about the investments or the conflicts of interest presented by Sampson's solicitations and investments.¹³
64. Form ADV likewise did not disclose that My IA and Sampson offer securities in the form of promissory notes to clients.
65. In addition, My IA's Form ADV falsely claimed that My IA and Sampson did not take custody of client monies or exercise discretion in client accounts, both of which claims are false as evidenced by Sampson's depositing or transferring client monies into bank accounts he owned and controlled, and his use of those monies to pay personal expenses or the obligations of entities he controlled, or to pay earlier investors "returns" on their investments.

FIRST CAUSE OF ACTION

Securities Fraud – Misrepresentations or Omissions under § 61-1-1(2) of the Act

66. As described herein, in connection with the offer, sale or purchase of securities, Respondents directly or indirectly misrepresented material facts or omitted material facts necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading, in violation of Section 61-1-1(2) of the Act.

SECOND CAUSE OF ACTION

Securities Fraud – Act, Practice, or Course of Business Operating as a Fraud or Deceit under § 61-1-1(3) of the Act

67. As described herein, in connection with the offer, sale or purchase of securities, Respondents directly or indirectly engaged in an act, practice, or course of business which operated as a

¹³ When interviewed by the Division, Sampson characterized the investments by My IA clients as "loans" – a claim clearly at odds with what he told clients at the time of solicitation. Regardless, Form ADV likewise did not disclose that Sampson would seek "loans" from clients, which as described further below, constitutes a dishonest or unethical business practice under Utah Admin. Code Rule R164-6-1g(E)(6).

fraud or deceit on My IA clients, in violation of Section 61-1-1(3) of the Act. That conduct includes but is not limited to Respondents' conversion and misuse of client monies for purposes not disclosed to or authorized by investors, including personal use of monies, Ponzi payments to prior investors, and use in Sampson's unrelated businesses.

THIRD CAUSE OF ACTION
Unlawful Acts of Investment Adviser under § 61-1-2 of the Act

68. As described herein, Respondents engaged in unlawful acts in violation of Section 61-1-2(1)(b) of the Act by engaging in an act, practice, or course of business operating as a fraud or deceit on My IA clients. That conduct includes but is not limited to Respondents' conversion and misuse of client monies for purposes not disclosed to or authorized by investors, including personal use of monies, Ponzi payments to prior investors, and use in Sampson's unrelated businesses.
69. In addition, taking custody of clients' funds or securities without complying with Utah Admin. Code Rule R164-2-2(B) – which requires compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 – constitutes unlawful conduct deemed to be fraudulent, manipulative, or deceptive acts, practices or a course of business, in violation of Section 61-1-2(3) of the Act. Respondents did not comply with Rule 206(4)-2.¹⁴

FOURTH CAUSE OF ACTION
False Statements to Division Under § 61-1-16 of the Act

70. As described herein, Respondents through their Form ADV and in interviews with the Division made materially false representations to the Division about My IA and Sampson,

¹⁴ Rule 206(4)-2 imposes specific safekeeping requirements upon advisers with custody, none of which were complied with by Respondents.

and failed to disclose material information about Respondents and the investments they offered and sold to clients.

FIFTH CAUSE OF ACTION
Sale of Unregistered Securities Under § 61-1-7 of the Act

71. The promissory notes offered and sold by Respondents are securities as defined under Section 61-1-13 of the Act. They were not registered with the Division, do not qualify for any exemption from registration, and are not federal covered securities for which any notice filing was made, in violation of Section 61-1-7 of the Act.

SIXTH THROUGH ELEVENTH CAUSES OF ACTION
Dishonest or Unethical Practices under § 61-1-6 of the Act

Unsuitable Recommendations

72. By making unsuitable recommendations that clients invest in Sampson's outside businesses without reasonable grounds to believe such investments were suitable in light of investor objectives, financial situations and needs, and other information known by Respondents, Respondents engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(1), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Unauthorized Discretionary Power

73. By exercising discretionary power by, among other things, obtaining login information for client brokerage accounts at Equity Trust without obtaining written discretionary authority from clients, Respondents engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(2), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Misrepresenting Qualifications

74. Respondents misrepresented their qualifications to clients, the nature of their advisory services, and omitted material facts to make Respondents' representations, under the circumstances under which they were made, not misleading. That conduct includes, but is not limited to, telling clients the investments were offered through My IA to the clients in their capacity as My IA clients, misrepresenting Sampson's experience in real estate projects, and representing that real estate was an appropriate retirement investment for clients. In so doing, Respondents engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(8), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Conflicts of Interest

75. Respondents failed to disclose to clients in writing and before the rendering of advice the material conflicts of interest relating to My IA and Sampson, which could reasonably be expected to impair the rendering of unbiased and objective advice. Respondents' conduct constitutes dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(11), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Custody of Client Assets

76. By taking custody or possession of client funds without complying with the requirements of Rule 206(4)-2 of the Investment Advisers Act of 1940, Respondents engaged in dishonest or unethical practices under Utah Admin. Code Rule R164-6-1g(E)(15), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

Breach of Fiduciary Duty

77. As described herein, Respondents engaged in numerous fraudulent acts and dishonest and unethical practices in the securities industry. Respondents' misconduct demonstrates a

complete, utter abandonment of and disregard for the fiduciary duty they owed to clients – unsophisticated, elderly investors who trusted that Respondents would put the clients’ best interests ahead of Respondents’ own – a dishonest or unethical practice under R164-6-1g(E), warranting sanctions under Section 61-1-6(2)(a)(ii)(G) of the Act.

REQUEST FOR RELIEF

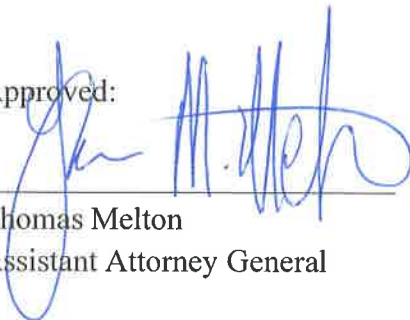
The Division requests that, based upon Respondents’ willful violations of the Act, pursuant to §61-1-6 of the Act, the Commission enter an order revoking their licenses, barring them from the securities industry, imposing fines, requiring restitution to the investors and other remedial actions as ordered by the Commission.

Dated this 20th day of January, 2017.



Kenneth O. Barton
Director of Compliance
Utah Division of Securities

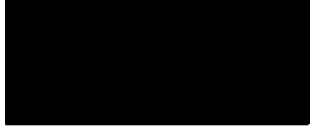


Approved:


Thomas Melton
Assistant Attorney General

Certificate of Mailing

I certify that on the 20th day of January, 2017, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Petition to:



Certified Mail # 70150640000659471377

My Investment Advisor, Inc.
Attn: Lindsay Nelson
459 South 100 East
Washington, UT 84780

Certified Mail # 70150640000659471384

Douglas J. Davison
WILMER HALE
1875 Pennsylvania Ave, NW
Washington, D.C. 20006
COUNSEL FOR RESPONDENTS

Certified Mail # 70150640000659471391

A handwritten signature in blue ink, appearing to read "L. Davison", written over a horizontal line.

Executive Secretary

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

ERIC LARSON SAMPSON, CRD#3269514;

**MY INVESTMENT ADVISOR, INC.,
IARD#144616**

Respondents.

NOTICE OF AGENCY ACTION

Docket No. SD-17-00 09

Docket No. SD-17-00 10

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

You are hereby notified that agency action in the form of adjudicative proceeding has been commenced against you by the Utah Division of Securities (“Division”). Pursuant to Utah Admin. Code Rule R164-18-6(C) and Utah Code Ann. §63G-4-202(3), the Division Director finds that it is in the public interest and does not unfairly prejudice the rights of any party to convert this adjudicative matter from an informal to formal proceeding, which will be conducted according statute and rule. See Utah Code Ann. §§ 63G-4-201 and 63G-4-204 through -209; see also Utah Admin. Code Rule R151-4-101, *et seq.* The facts on which this action is based are set forth in the accompanying Petition. The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-6. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code Rule R151-4-110.

You must file a written response with the Division within thirty (30) days of the mailing date of this Notice. Your response must be in writing and signed by you or your representative. Your response must include the file number and name of the adjudicative proceeding, your version of the facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

- (a) admit or deny the allegations in each numbered paragraph of the Petition, including a detailed explanation for any response other than an unqualified admission. Allegations in the Petition not specifically denied are deemed admitted;
- (b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and
- (c) state in short and plain terms your defenses to each allegation in the Petition, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

Signed originals to:

Administrative Court Clerk
c/o Lee Ann Clark
Utah Division of Securities
160 E. 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

Thomas Melton
Assistant Attorney General
Utah Attorney General's Office
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0872
(801) 366-0310

An initial hearing in this matter has been set on March 15, 2017 at the Division of Securities, 2nd Floor, 160 East 300 South, Salt Lake City, Utah, at 9:15 a.m. The purpose of the initial hearing is to enter a scheduling order addressing discovery, disclosure, and other deadlines, including pre-hearing motions, and to set a hearing date to adjudicate the matter alleged in the Petition.

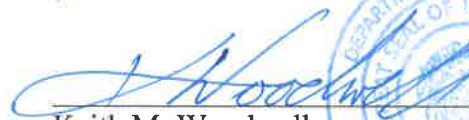
If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code Rule R151-4-710(2). After issuing the default order, the presiding officer may grant the relief sought against you in the Petition, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

The presiding officer in this matter is the Utah Securities Commission (“Commission”). Utah Code Ann. §§ 61-1-6 and 63G-4-103(1)(h)(i). Under 61-1-18.5(2)(a)(v)(A), the Commission has delegated that all pretrial procedural, evidentiary, and dispositive motions be heard and ruled upon by Administrative Law Judge Bruce Dibb, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6706. For dispositive motions, the Administrative Law Judge will prepare a recommended order for the Commission’s review and approval. If the Commission declines to enter the recommended order, it will schedule whatever proceedings are necessary to address the dispositive motion.

This adjudicative proceeding will be heard by Judge Dibb and the Commission. At any hearings, the Division will be represented by the Attorney General's Office. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Attorney General's Office. Questions regarding the Petition should be directed to Thomas Melton, Assistant Attorney General, 160 E. 300 South, 5th Floor, Box 140872, Salt Lake City, UT 84114-0872, Tel. No. (801) 366-0310.

Dated this 20th day of January, 2017



Keith M. Woodwell
Director, Division of Securities

