

Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 146760
Salt Lake City, Utah 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:

**YELLOWSTONE PARTNERS, LLC,
IARD#137236**

**ROSS MORRELL BOWEN, CRD#
4583355**

Respondents.

ORDER TO SHOW CAUSE

Docket No. SD-11-0002

Docket No. SD-11-0003

It appears to the Director of the Utah Division of Securities (Division) that Respondents Yellowstone Partners (Yellowstone) and Ross Morrell Bowen (Bowen) have engaged in acts and practices that violate the Utah Uniform Securities Act ("Act"), Utah Code Ann. § 61-1-1, *et seq.* Those acts and practices are more fully described herein. Based upon the Division's investigation into this matter, the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

STATEMENT OF FACTS

1. Yellowstone is a federal covered investment adviser located in Idaho Falls, Idaho, and was initially registered with the United States Securities & Exchange Commission (SEC) on October 24, 2005.

2. Bowen is a Certified Public Accountant (CPA) who resides and maintains an office in Logan, Utah.
3. Bowen took and passed the Series 65 exam in October 2007.
4. Yellowstone hired Bowen as an investment adviser representative in February 2008, to be located in and work from Utah. Yellowstone failed to file an investment adviser representative application with the Division. As a result, Bowen never became licensed as an investment adviser representative.
5. Believing he was properly licensed, Bowen began opening third party managed asset accounts through Genworth Financial Wealth Management, Inc. ("Genworth") in 2008. Bowen has been paid quarterly IA fees since the 3rd quarter of 2008 ranging from \$16,942.27 to \$42,949.48 per quarter. Fees were earned on managed accounts held by Genworth, which were paid through Yellowstone Partners and then to Ross Bowen.
6. During the period of the 3rd quarter of 2008 through the 2nd quarter of 2011, Genworth has paid Yellowstone a total of \$422,134.48, of which \$379,921.02 was paid to Bowen.

FIRST CAUSE OF ACTION
Unlicensed Investment Adviser Representative Under § 61-1-3

7. From 2008 through 2011, Bowen has acted as an investment adviser representative and received compensation while unlicensed, in violation of Section 61-1-3(3)(a) of the Act.
8. From 2008 through 2011, Yellowstone has associated with Bowen, in violation of Section 61-1-3(4)(a)(ii) of the Act.

SECOND CAUSE OF ACTION

Splitting Consideration with Unlicensed Investment Adviser Representative Under § 61-1-2

9. From the 3rd quarter of 2008 through 2011, Yellowstone received approximately \$422,134 based upon advisory business conducted by Bowen. Of this amount, Yellowstone paid Bowen approximately \$379,921 in advisory fees, in violation of Section 61-1-2(1)(c) of the Act.

REQUEST FOR RELIEF

The Director, pursuant to Utah Code Ann. § 61-1-20, hereby orders the Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63G-4-202 and 63G-4-204 through -209, and held before the Division. As set forth in the Notice of Agency Action accompanying this Order, Respondents are required to file a written response with the Division, and an initial hearing on this matter has been scheduled for September 8, 2011 at 9am. The initial hearing will take place at the Division of Securities, 2nd floor, 160 East 300 South, Salt Lake City, Utah. The purpose of the initial hearing is to establish a scheduling order and address any preliminary matters. If Respondents fail to file a written response or appear at the initial hearing, findings may be entered, a permanent Order to Cease and Desist may be issued, and a fine may be imposed against Respondents, as provided by Utah Code Ann. §§ 63G-4-206 or -209.

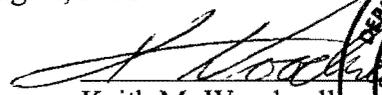
At the Order to Show Cause hearing, Respondents may show cause, if any they have:

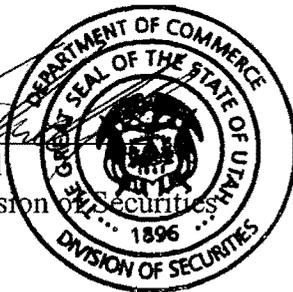
1. Why Respondents should not be found to have engaged in the violations of the Act alleged by the Division in this Order to Show Cause:
2. Why Respondents should not be ordered permanently to cease and desist from

engaging in any further conduct in violation of Utah Code Ann. § 61-1-2, -3 or any other section of the Act;

3. Why Yellowstone Partners, LLC, should not be ordered to pay a fine to the Division in the amount of \$7,500.
4. Why Ross Morrell Bowen should not be ordered to pay a fine to the Division in the amount of \$5,000.
5. Why Ross Morrell Bowen should not be ordered to retake and pass the Series 65 examination within 60 days of the entry of this order.

Dated this 4th day of August, 2011.


Keith M. Woodwell
Director, Utah Division of Securities



Approved:



D. Scott Davis
Assistant Attorney General

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
FAX: (801)530-6980

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IN THE MATTER OF:

**YELLOWSTONE PARTNERS, LLC,
IARD/CRD# 137236**

**ROSS MORRELL BOWEN, CRD#
4583355**

Respondents.

NOTICE OF AGENCY ACTION

Docket No. SD-11-0002

Docket No. SD-11-0003

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. §§ 63G-4-201 and 63G-4-204 through 209; see also Utah Admin. Code R151-4-101, *et seq.* The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-20. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code 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 Order to Show Cause, including a detailed explanation for any response other than an unqualified admission. Allegations in the Order to Show Cause 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 Order to Show Cause, 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 Julie Price
Utah Division of Securities
160 E. 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

D. Scott Davis
Assistant Attorney General
Utah Division of Securities
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0872
(801) 366-0310

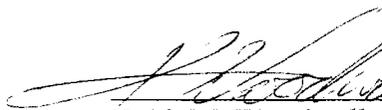
An initial hearing in this matter has been set for September 8, 2011 at the Division of Securities, 2nd Floor, 160 East 300 South, Salt Lake City, Utah, at 9am.

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 R151-4-710(2). After issuing the default order, the presiding officer may grant the relief sought against you in the Order to Show Cause, 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.

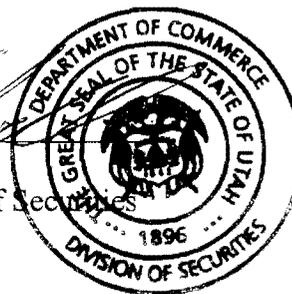
The Administrative Law Judge will be J. Steven Eklund, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6648. This adjudicative proceeding will be heard by Mr. Eklund and the Utah Securities Commission. You may appear and be heard and 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 Order to Show Cause should be directed to D. Scott Davis, Assistant Attorney General, 160 E. 300 South, 5th Floor, Box 140872, Salt Lake City, UT 84114-0872, Tel. No. (801) 366-0310.

Dated this 4th day of August, 2011.



Keith M. Woodwell
Director, Division of Securities



Certificate of Mailing

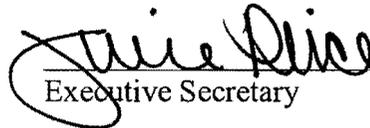
I certify that on the 4th day of August, 2011, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

Yellowstone Partners, LLC
% Cameron High, CCO
3340 Merlin Drive, Ste 100
Idaho Falls, ID 83404

Certified Mail # 7007 0220 0001 0003 0325

Ross Morrell Bowen
255 S. Main St., Ste A-155
Logan, UT 84321

Certified Mail # 7007 0220 0001 0003 0332


Executive Secretary