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Utah Department of Commerce  
Division of Securities

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Utah Department of Commerce  
160 East 300 South  
P.O. Box 146760  
Salt Lake City, Utah 84114-6760  
Telephone: 801 530-6600

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

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**IN THE MATTER OF:**

**SENIOR ADVISORS LC, IARD#118343;  
LARRY W. MULCOCK, CRD#1038001;  
and  
STEVEN C. BERGSTROM, CRD#707430**

**Respondents.**

**STIPULATION AND CONSENT ORDER**

**Docket No. SD-11-0080  
Docket No. SD-11-0081  
Docket No. SD-11-0082**

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The Utah Division of Securities (“Division”), by and through its Director of Licensing and Compliance, Dave R. Hermansen, and Respondents Senior Advisors LC, Larry W. Mulcock, and Steven C. Bergstrom (collectively referred to at times as “Respondents”), hereby stipulate and agree as follows:

1. Respondents have been the subject of an investigation by the Division into allegations that they violated the Utah Uniform Securities Act (“Act”), Utah Code Ann. §61-1-1, *et seq.*
2. On or about October 5, 2011, the Division initiated an administrative action against Respondents by filing a Petition to Censure Licensees and Impose Fines.
3. Respondents hereby agree to settle this matter with the Division by way of this Stipulation and Consent Order (“Order”). If entered, the Order will fully resolve all

claims the Division has against Respondents pertaining to the October 5, 2011 Petition.

4. Respondents admit that the Division has jurisdiction over them and the subject matter of this action.
5. Respondents hereby waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.
6. Respondents have read this Stipulation and Consent Order, understand its contents, and voluntarily agree to the entry of the Order set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.
7. Respondents understand that they may be represented by counsel in this matter, understand the role that counsel would have in defending and representing their interests in this case, and hereby knowingly, freely, and voluntarily waive their right to have counsel represent them in this proceeding.

#### **I. FINDINGS OF FACT**

8. Senior Advisors LC ("Senior Advisors") is a Utah limited liability company located in Murray, Utah. Senior Advisors' corporate registration with the Utah Division of Corporations has been delinquent since July 26, 2011.
9. Senior Advisors was formerly named Senior Advisors Financial Services, LC and was licensed in Utah as an investment adviser from June 1993 through December 31, 2004 when it failed to renew its license. Records contained in the Central Registration

Depository (“CRD”)<sup>1</sup> indicate that the failure was due to “insufficient funds in renewals account.” Senior Advisors promptly addressed the failure to renew and its Utah license was renewed on January 27, 2005.

10. Senior Advisors failed to renew its Utah license again on December 31, 2007. CRD records reflect that the failure was again due to “insufficient funds in renewals account.” Despite a notification sent by the Division to advisers that did not renew at the end of 2007, Senior Advisors failed to take any remedial action. Notwithstanding its lack of a current license, Senior Advisors continued to do business in Utah as an investment adviser for approximately seventeen months. It became licensed again in October 2010 and is currently a licensed investment adviser.<sup>2</sup>
11. Larry Wayne Mulcock (“Mulcock”), CRD#1038001, is the designated official and an owner of Senior Advisors. He has worked in the securities industry in various capacities since 1982. He is currently licensed as an investment adviser representative of Senior Advisors.
12. Steven Craig Bergstrom (“Bergstrom”), CRD#707430, is an owner of Senior Advisors. He has been employed in the securities industry in various capacities since 1980. Bergstrom is currently licensed as an investment adviser representative of Senior Advisors.

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<sup>1</sup>CRD is a computerized database maintained by the Financial Industry Regulatory Authority (“FINRA”) which contains employment, licensing, and disciplinary information on broker-dealers, agents, investment advisers and investment adviser representatives.

<sup>2</sup>In approving Senior Advisors’ application for licensure in 2010, the Division indicated an administrative action would be required to address the unlicensed activity.

13. Each time Senior Advisors failed to renew its license, Mulcock and Bergstrom were likewise unlicensed in their capacities as investment adviser representatives until Senior Advisors became licensed.

#### Prior Unlicensed Activity

14. On November 3, 1994, Mulcock and Bergstrom entered stipulation agreements and consent orders with the Division to address unlicensed investment advisory activity that both individuals engaged in from May 1992 through April 1993. The Division found that “[p]ursuant to a written Investment Advisory Agreement” Mulcock and Bergstrom shared investment advisory fees that had been paid to a licensed investment advisory firm while neither individual was licensed.
15. The consent orders required that Mulcock and Bergstrom:
  - (a) cease and desist from further violations of the laws enforced by the Division, especially 61-1-3<sup>3</sup>; and
  - (b) each pay a fine in the amount of \$500.00 to the Division.

#### Recent Unlicensed Activity

16. In January 2008, the Division sent a standard letter to Senior Advisors and other investment advisers who failed to renew their licenses at the end of 2007. The letter stated that the advisers needed to either immediately submit their Form ADV application<sup>4</sup>

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<sup>3</sup>Section 61-1-3 of the Act provides in relevant part that it is unlawful for a person to transact business in Utah as an investment adviser or as an investment adviser representative unless the person is licensed.

<sup>4</sup>Form ADV is the uniform form used by investment advisers to register with both the United States Securities & Exchange Commission and state securities regulators.

to become licensed or cease conducting business as an investment adviser in Utah.

17. Senior Advisors made no response to the Division's letter, and took no action to address the licensing deficiency.

Division Inquiry

18. On March 12, 2009, the Division received an inquiry about Senior Advisors and contacted Mulcock to inquire whether Senior Advisors was still acting as an investment adviser in Utah. Mulcock admitted that Senior Advisors had been acting as an investment adviser since the end of 2007 and stated he would submit the Form ADV.
19. In May 2009, Senior Advisors, through Mulcock, began the process to become licensed. Due to Senior Advisors' failure to provide requested documents and numerous unresolved deficiencies, including disclosure issues, excessive compensation issues, changes in business models, insufficient descriptions of business activities, outside business activities of Mulcock and Bergstrom, and conflicts of interest, the application was not approved until October 2010. From May 2009 until October 2010, the Division wrote four detailed comment letters, had numerous conference calls, and met with Mulcock on a few occasions to resolve the issues related to the pending application for licensure.
20. After beginning the application process, in June 2009, Mulcock told the Division that:
  - (a) Senior Advisors had approximately 10 accounts with \$2 million under management;
  - (b) those accounts had been held since Respondents' licenses lapsed at the end of 2007; and
  - (c) Bergstrom handled the management of those accounts as Mulcock primarily focused

on an outside business during that period.

21. In December 2009, the Division requested an updated explanation of the ongoing unlicensed activity to date. Mulcock did not provide a response until May 2010, at which time information provided to the Division indicated that Senior Advisors, Mulcock and Bergstrom charged \$49,688 in advisory fees to fifteen clients during 2008 and 2009 while unlicensed. However, Mulcock failed to include any information for the additional period of unlicensed activity in 2010<sup>5</sup>.
22. In addition, the information provided in May 2010 contradicted prior representations to the Division by identifying five additional advisory accounts and indicating that Mulcock managed ten of the fifteen accounts.

## **II. CONCLUSIONS OF LAW**

23. Respondents violated Section 61-1-3(3) of the Act by Senior Advisors acting as an investment adviser and Mulcock and Bergstrom acting as investment adviser representatives while unlicensed.

## **III. REMEDIAL ACTIONS/SANCTIONS**

24. Respondents neither admit nor deny the Division's findings and conclusions, but consent to the sanctions below being imposed by the Division.
25. Respondents represent that the information they have provided to the Division as part of the Division's investigation is accurate and complete.
26. Respondents agree to cease and desist from violating the Utah Uniform Securities Act,

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<sup>5</sup>Respondents represent that following the Division's inquiry in 2009 they ceased all investment advisory activities and charged no advisory fees until their application was approved by the Division in October 2010.

and to comply with the requirements of the Act in all future business in this state.

27. Pursuant to Utah Code Ann. § 61-1-6, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, Respondents agree to pay fines to the Division as follows:

a. Mulcock and Senior Advisors, jointly and severally: \$10,000.00

b. Bergstrom and Senior Advisors, jointly and severally: \$5,000.00

The fines shall be paid in full within two (2) years following entry of this Order. If the Respondents fail to pay the fine by such time, Respondents agree that their licenses will be immediately revoked.

#### **IV. FINAL RESOLUTION**

28. Respondents acknowledge that this Order, upon approval by the Utah Securities Commission, shall be the final compromise and settlement of this matter. Respondents further acknowledge that if the Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

29. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of their conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of actions brought by third-parties against them have no effect on, and do not bar, this administrative action by the Division against them.

30. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements

between the parties. There are no verbal agreements which modify, interpret, construe,  
or otherwise affect this Order in any way.

Dated this 28 day of December, 2011

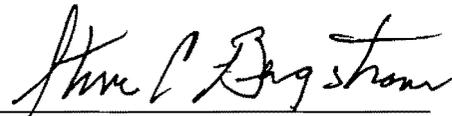


Dave R. Hermansen  
Director of Licensing and Compliance  
Utah Division of Securities

Dated this 27 day of December, 2011

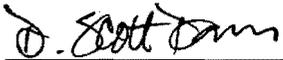


Larry W. Mulcock, Respondent,  
and as Designated Official on behalf of  
Respondent Senior Advisors LC



Steven C. Bergstrom  
Respondent

Approved:



D. Scott Davis  
Assistant Attorney General

**ORDER**

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are neither admitted nor denied by the Respondents, are hereby entered.
2. Respondents shall cease and desist from violating the Utah Uniform Securities Act and comply with the requirements of the Act in all future business in this state.
3. Pursuant to Utah Code Ann. § 61-1-6, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, fines are hereby imposed as follows:
  - a. Larry W. Mulcock and Senior Advisors, jointly and severally: \$10,000.00
  - b. Steven C. Bergstrom and Senior Advisors, jointly and severally: \$5,000.00

The fines shall be paid in full within two (2) years following entry of this Order. If the Respondents fail to pay the fine by such time, Respondents agree that their licenses will be immediately revoked.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this 26<sup>th</sup> day of January, 2012.

  
\_\_\_\_\_  
Tim Bangerter

  
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Jane Cameron



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Erik Christiansen

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Jan Graham



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Laura Polacheck

**Certificate of Mailing**

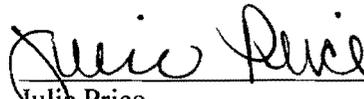
I certify that on the 20th day of JANUARY, 2012, I mailed, by certified mail, a true and correct copy of the fully executed Stipulation and Consent Order to:

Senior Advisors LC  
Attn: Larry Mulcock  
8321 South 1100 East #25  
Sandy, UT 84094

Certified Mail # 7007 0220 0001 0003 5072

Steven C. Bergstrom  
2906 Orchard Drive  
Salt Lake City, UT 84109

Certified Mail # 7007 0220 0001 0003 5079

  
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Julie Price  
Executive Secretary