

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:

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

Respondents.

**PETITION TO CENSURE LICENSEES
AND IMPOSE FINES**

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

Pursuant to the authority of the Utah Uniform Securities Act ("Act"), Utah Code Ann. § 61-1-6, the Utah Division of Securities ("Division") hereby petitions the Utah Securities Commission ("Commission") to enter an Order censuring the Respondents and imposing fines. In support of this petition, the Division alleges:

STATEMENT OF FACTS

1. 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.
2. 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”)¹ 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.

3. 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 thirty-four months, until it became licensed again in October 2010. Senior Advisors is currently a licensed investment adviser.²
4. 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.
5. 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.

¹CRD 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.

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

6. 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

7. 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.
8. The consent orders required that Mulcock and Bergstrom:
 - (a) cease and desist from further violations of the laws enforced by the Division, especially 61-1-3³; and
 - (b) each pay a fine in the amount of \$500.00 to the Division.

Recent Unlicensed Activity

9. 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 application⁴

³Section 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.

⁴Form 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.

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

Division Inquiry

11. 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.
12. 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..
13. 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.

14. As the unlicensed activity continued during the application process, 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.
15. 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.

FIRST CAUSE OF ACTION
Unlicensed Investment Adviser and Investment Adviser Representatives
Under Section 61-1-3 of the Act
(All Respondents)

16. As described herein, Respondents violated Section 61-1-3(3) of the Act by acting as an investment adviser and investment adviser representatives while unlicensed.

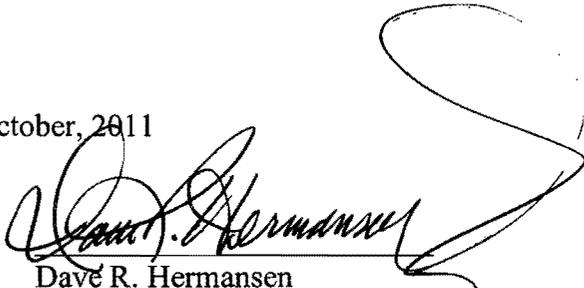
REQUEST FOR RELIEF

The Division requests that, based upon the Respondents' willful violations of the Act, and previous sanctions and repeated unlicensed activity, pursuant to § 61-1-6 of the Act, the Commission enter an order censuring Respondents and imposing fines as follows:

- a. Senior Advisors: \$15,000.00
- b. Mulcock: \$7,500.00

c. Bergstrom: \$7,500.00

Dated this 5 day of October, 2011



Dave R. Hermansen
Director of Licensing and Compliance
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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**SENIOR ADVISORS LC, IARD#118343;
LARRY W. MULCOCK, CRD#1038001; and
STEVEN C. BERGSTROM, CRD#707430**

Respondents.

NOTICE OF AGENCY ACTION

Docket No.

Docket No.

Docket No.

[Handwritten signatures and numbers over the docket number lines]

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. § 61-1-6. The facts on which this action is based are set forth in the accompanying Petition. 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 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 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
160 E. 300 South, Fifth Floor
Box 140872
Salt Lake City, UT 84114-0872
(801) 366-0310

An initial hearing in this matter has been set for November 16, 2011 at the Division of

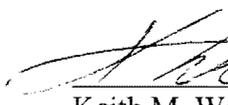
Securities, 2nd Floor, 160 East 300 South, Salt Lake City Utah, at 9am. The purpose of the initial hearing is to enter a scheduling order addressing discovery, disclosure, and other deadlines, including pre-hearing motions, and to set a hearing date to adjudicate the matter alleged in the Petition.

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 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 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. 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 Scott Davis, Assistant Attorney General, 160 E. 300 South, Fifth Floor, Box 140872, Salt Lake City, UT 84114-0872, Tel. No. (801) 366-0310.

Dated this 5th day of October, 2011.


Keith M. Woodwell
Director, Division of Securities



Certificate of Mailing

I certify that on the 27th day of October, 2011, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Petition to:

Senior Advisors LC

Attn: Larry Mulcock

999 Murray Holladay Road, Ste. 109

Murray UT 84117

Certified Mail # 7007 0220 0001 00103 10837

Larry Mulcock

8321 South 1100 East

Sandy UT 84094

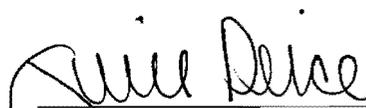
Certified Mail # 7008 1140 0004 1042 2013

Steven C. Bergstrom

2906 Orchard Drive

Salt Lake City, UT 84109

Certified Mail # 7008 1140 0004 1042 2020



Julie Price

Executive Secretary