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**

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| **IN THE MATTER OF:** | **PETITION TO CENSURE LICENSEES AND IMPOSE A FINE** |
| **GLEN A. LARSEN d.b.a. FINANCIAL ADVISORY SERVICES, CRD#118496; GLEN A. LARSEN, CRD#1743485** | **Docket No. SD-12-0056**<br>**Docket No. SD-12-0057** |
| **Respondents.** | |

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 Respondents Glen A. Larsen dba Financial Advisory Services, ("FAS") CRD#118496, and Glen A. Larsen ("Larsen"), CRD#1743485, and imposing a fine. In support of this petition, the Division alleges:

## STATEMENT OF FACTS

1. FAS is a Utah sole proprietorship[1], which has been licensed as an investment adviser in Utah since December 1993.

2. Larsen has been licensed in the securities industry in various capacities since 1987. He has taken and passed the FINRA Series 7, 24, 63 and 65 examinations. He also holds a

[1]Utah Division of Corporations records show that FAS's current status has been expired since 2001 due to its failure to renew its registration.

Certified Financial Planner ("CFP") designation from the College for Financial Planning.

3. Larsen is the president, designated official, sole employee and owner of FAS. Larsen has been licensed in Utah as an investment adviser representative of FAS since April 1994.

4. Division staff conducted an announced examination of FAS in September 2011 and an unannounced examination in January 2012.

Division Examination

5. The Division's examinations revealed that FAS has no policies and procedures manual existing in any form and does not conduct an annual review of such policies and procedures, as required by applicable regulations.

6. Following an earlier Division examination, in September 2002 Larsen agreed in writing "to develop and implement a new client and existing client checklist compliance system in accordance with the SEC requirements." However, at the time of the Division's 2011 and 2012 examinations, Larsen could produce no evidence demonstrating that he had done so.

7. SEC Rule 204-2 requires that an investment adviser "adopt and implement written policies and procedures reasonably designed to prevent violation" of laws and regulations by the investment adviser or its supervised persons. Rule 204-2 further requires that the investment adviser review, at least annually, the adequacy of such policies and procedures and the effectiveness of the implementation. The review must be documented by maintaining appropriate records. *See* 17 C.F.R. § 275.204-2(a)(17); 17 C.F.R. § 275.206 (4)-7.

8. Section 61-1-5(1) of the Act requires that an investment adviser maintain books and

records "as the division by rule prescribes...." Rule R164-5-1(D)(1) of the Utah Administrative Code in turn requires that an investment adviser shall make, maintain and preserve books and records in compliance with SEC Rule 204-2, "which is adopted and incorporated by reference."

9. FAS and Larsen's failure to a) adopt and implement written policies and procedures and b) review and document the review of such policies and procedures at least annually violates the books and records requirements of the Act.

10. In addition, although the FAS current Form ADV Part 2A[2] states that a written advisory contract will be completed following an initial client consultation, only six out of 220 clients have a written advisory contract. Section 61-1-5(4) of the Act requires that if the information contained in any document filed with the Division becomes inaccurate in any material respect, a licensee shall promptly file a correcting amendment.

## FIRST CAUSE OF ACTION

### Failure to Maintain Books and Records under Section 61-1-5 of the Act

10. Respondents FAS and Larsen failed to maintain books and records as set forth above, as required under Section 61-1-5 of the Act, warranting sanctions under Section 61-1-6(2)(a)(ii)(B) of the Act.

## REQUEST FOR RELIEF

The Division requests that, based upon Respondents' violations of the Act, pursuant to § 61-1-6 of the Act, the Commission enter an order censuring them and imposing a

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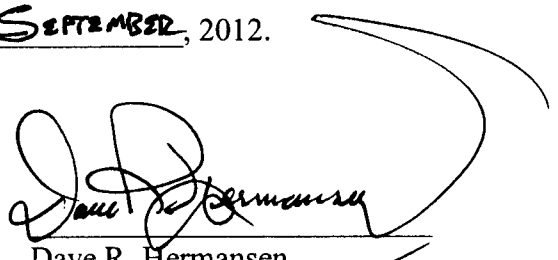
[2]Also referred to as a firm brochure, SEC Form ADV Part 2A discloses information about the investment adviser's business to clients and potential clients.

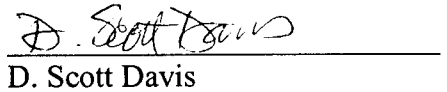
fine, jointly and severally, in the amount of $1000.00.

Dated this 26 day of SEPTEMBER, 2012.



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

Approved:



D. Scott Davis
Assistant Attorney General

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160 East 300 South, 2nd Floor
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Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801)530-6980

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

| **IN THE MATTER OF:**<br><br>**GLEN A. LARSEN d.b.a. FINANCIAL ADVISORY SERVICES, CRD#118496; GLEN A. LARSEN, CRD#1743485**<br><br>**Respondents.** | **NOTICE OF AGENCY ACTION**<br><br>**Docket No.** SD-12-0054<br><br>**Docket No.** SD-12-0057 |
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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 5, 2012 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

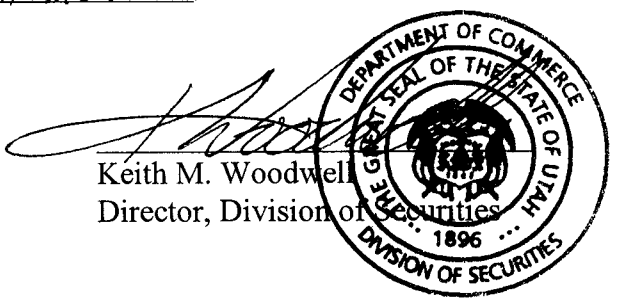
pre-hearing motions, and to set a hearing date to adjudicate the matter alleged in the Petition.

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 Jennie Jonnson, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6706. This adjudicative proceeding will be heard by Ms. Jonnson 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 26th day of September, 2012.




Keith M. Woodwell
Director, Division of Securities

**Certificate of Mailing**

I certify that on the 27th day of September, 2012, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Petition to:

Financial Advisory Services

Attn: Glen Larsen

175 West 200 South Suite 4008

Salt Lake City, UT 84101

Certified Mail # 7007 0220 0001 0004 7925

Julie Price

Julie Price
Executive Secretary