

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
CONCORD, NEW HAMPSHIRE

|              |   |  |
|--------------|---|--|
| Holly Hunter | ) |  |
|              | ) |  |
|              | ) |  |
|              | ) |  |
|              | ) |  |
| Respondent   | ) |  |
|              | ) |  |

No. COM.2011-0026-0029

**CONSENT ORDER**

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Holly Hunter (hereinafter referred to as "Hunter"), without admitting or deny the allegations contained herein, has submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, the Respondent, does hereby consent to the following findings, conclusions, undertakings and sanctions:

**ALLEGATIONS OF FACTS**

1. Hunter Advisor LLC ("HA") was an advisory business located at 500 Market Street, Portsmouth, New Hampshire 03801. The CRD number is 129071. HA was a state licensed investment advisory business which traded securities through a broker-dealer Commonwealth Financial Network ("Commonwealth"). Hunter was the owner and principal until October 2009 when HA was sold to Aegis Capital, LLC, ("Aegis") a federally covered advisor firm based in Charlotte, North Carolina. The Aegis CRD number is 125376 and SEC number is 801-63063. In October 2009, Aegis purchased HA's assets.
2. In conjunction with the sale of HA, Hunter signed a Consulting Agreement with Aegis to transition HA clients to Aegis. Hunter believed that her obligation under the Consulting Agreement with Aegis was to transfer her securities license from her

broker-dealer, Commonwealth, to Aegis after the sale. Hunter could not have continued having Commonwealth hold her license post sale. Hunter believed that Aegis was required to acquire its own broker-dealer status/licensing for this and other purposes. As a result of Aegis failing to do so, Hunter's broker-dealer license expired on December 31, 2009.

3. As part of the Consulting Agreement, Hunter believed she was to maintain her advisor license and transfer her Series 7 license to a broker-dealer of Aegis' choosing. Contrary to the Consulting Agreement, Hunter's SEC license was terminated in or about December of 2009 for the reasons stated in paragraph 2. The brokerage relationship with Commonwealth was also terminated.
4. In about December 2009 through March 2010, Hunter engaged HA clients along with other Aegis employees to introduce HA clients to Aegis personnel and their recommended products which consisted of a series of Aegis Funds. In January through March 2010, five HA client households that had transitioned to Aegis purchased various amounts of the Aegis Diversified Real Estate Fund, LLC ("ADREF") investment totaling two hundred and thirty thousand dollars (\$230,000). In 2011, the ADREF fund went broke and the entire investment went to zero dollars in value.
5. At the time of the above described sales and recommendations, Hunter was not licensed as an investment advisor and broker-dealer agent in New Hampshire. At the time of the above described sales and recommendations, Aegis was not notice filed in New Hampshire as a federally covered investment advisor. At the time of the ADREF sales, ADREF was not a registered or exempt security filed with the State of New Hampshire.

#### STATEMENTS OF LAW

1. Aegis is an "investment advisor" within the meaning of RSA 421-B:2.
2. Hunter is a "investment advisor" representative within the meaning of RSA 421-B:2.
3. The ADREF membership interests are "securities" within the meaning of RSA 421-B:2.
4. The distribution of the ADREF membership interests from the Portsmouth Aegis office constitutes an "offer" and "sales" in New Hampshire within the meaning of RSA 421-B:2.
5. Hunter acted as an unlicensed investment adviser and broker-dealer agent pursuant to RSA 421-B:6.

6. Pursuant to New Hampshire RSA 421-B:11, it is unlawful for any person to offer or sell any security in this state unless it is registered under this chapter, the security or transaction is exempted under RSA 421-B:17, or it is a federally covered security. Respondent participated in meetings at which the ADREF membership interests, an unregistered security were recommended.
7. Pursuant to RSA 421-B:23, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter, or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. Hunter is subject to this section for violations of 421-B.
8. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. Hunter is subject to a suspension, revocation, or denial, and a fine for a violation of RSA 421-B:6.
9. Pursuant to RSA 421-B:26,III-a, every person who directly or indirectly controls a person liable under 421-B:26,III, may upon hearing, and in addition to any other penalty provided for by law, upon hearing, be subject to a fine and such suspension, revocation, or denial of any registration or license. Hunter is subject to this section.
10. Pursuant to RSA 421-B:26,V the Bureau can order restitution for violations of 421-B in addition to any fine assessed.

II. In view of the foregoing, the Respondent agrees to the following undertakings and sanctions:

1. Respondent agrees that that she has voluntarily consented to the entry of this Order and represents and avers that no employee or representative of the Bureau has made any promise, representation or threat to induce her execution.
2. Respondent agrees to waive her right to an administrative hearing and any appeal therein under this chapter.
3. Respondent agrees to cease and desist from violations under this chapter.

4. Respondent is ordered to pay a \$5,000 fine to the State of New Hampshire within ten (10) days of complete execution of this Consent Order. The payment shall be by certified check or money order made out to the State of New Hampshire and delivered to the Office of the Secretary of State.
5. Respondent shall pay restitution within ten (10) days of complete execution of this Consent Order in the total amount of \$ \$30,000 to seven investors on a pro rated basis based upon the amount of their investment. Payment shall be by certified check or money order delivered to the Office of the Secretary of State made out to the investors in the following amounts: Investor #1 \$6,521.74, Investor #2 \$6,521.74, Investor #3 \$6,521.74, Investor #4 \$3,260.87, Investor #5 \$3,260.87, Investor #6 \$1,956.52 and Investor #7 \$1,956.52. The Investor names will be provided in a separate list to be held confidentially by Respondent's counsel.
6. Respondent agrees that this Order is entered into for purposes of resolving the matter as described herein. This order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Respondent which the Bureau has no knowledge at the time of the date of final entry of this order.
7. The Respondent may not take any action or make or permit to be made any public statements, (a) denying, directly or indirectly, any allegation in this consent agreement or (b) create the impression that the consent agreement is without factual basis; provided that nothing in this provision affects the Respondent's testimonial rights and obligations or right to take any factual or legal positions in administrative proceedings or in litigation where the Bureau is not a party.

**III.** Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent cease and desist from further violations of the act.
2. Respondent pay a fine in the amount of \$5,000 as stated above.
3. Respondent pay restitution in the amount of \$30,000 as stated above.
4. Respondents comply with the above-referenced undertakings.

Executed this 20th day of May, 2013.

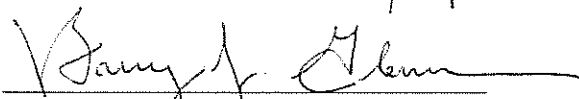


Holly Hunter

Please print name below:

Holly Hunter

Entered this 21<sup>st</sup> day of May, 2013.



Barry Glennon, Director