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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

SECURITIES AND EXCHANGE COMMISSION, PLAINTIFF, v. YELLOWSTONE PARTNERS, LLC, an Idaho limited liability company, DAVID HENRY HANSEN, an individual, and CAMERON G. HIGH, an individual, DEFENDANTS.	Case No.: 4:19-CV-374 **COMPLAINT**

Plaintiff, Securities and Exchange Commission (the "Commission"), for its Complaint against Defendants Yellowstone Partners, LLC ("Yellowstone"), David Henry Hansen ("Hansen"), and Cameron G. High ("High") (collectively, "Defendants") alleges as follows:

SUMMARY OF THE ACTION

1. From at least 2008 through June 30, 2017 (the "Relevant Period"), Hansen, the former Chief Executive Officer ("CEO") of then-Commission-registered investment adviser, Yellowstone, caused Yellowstone to overbill investment advisory clients as part of a fraudulent

scheme to inflate Defendants' income. High participated in the fraudulent scheme by causing the overbilled management fees to be charged to and taken from client accounts.

2. During the Relevant Period, Hansen and High were investment adviser representatives associated with Yellowstone. Hansen and High were also registered representatives associated with broker-dealers registered with the Commission.

3. As part of their fraudulent scheme, Defendants stole over $11.8 million from over 120 client accounts by overbilling clients for investment advisory management fees that were never earned. Overbillings were taken from unsuspecting clients to generate additional revenue to cover Yellowstone's operating expenses and to support Hansen's lavish lifestyle.

4. Defendants targeted specific accounts, with the majority of overbillings occurring in a small number of larger accounts, where overbilled fees would be less noticeable.

5. As part of their scheme, Defendants billed client accounts twice for periodic management fees, thereby taking double the amount of fees earned during particular periods. Defendants also billed client accounts additional advisory fees for work that was never performed.

6. Defendants also failed to maintain current investment advisory agreements for each client and to keep such records easily accessible for a period of five years, as required by firm procedures, the Advisers Act, and the rules thereunder.

VIOLATIONS

7. By engaging in the conduct alleged herein, Yellowstone violated Sections 204(a), 206(1), and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-4(a), 80b-6(1) and 80b-6(2), and Rules 204-2(a)(10) and 204-2(e)(1) thereunder, 17 C.F.R. §§275.204-2(a)(10) and 275.204-2(e)(1).

8. By engaging in the conduct alleged herein, Hansen violated Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2), or in the alternative, Hansen is

liable under Advisers Act Section 209(f), 15 U.S.C. § 80b-9, for aiding and abetting Yellowstone's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

9. By engaging in the conduct alleged herein, High is liable under Advisers Act Section 209(f), 15 U.S.C. § 80b-9, for aiding and abetting Yellowstone's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

10. By engaging in the conduct alleged herein, Hansen and High are liable under Advisers Act Section 209(f), 15 U.S.C. § 80b-9, for aiding and abetting Yellowstone's violations of Section 204(a) of the Advisers Act, 15 U.S.C. §§ 80b-4(a), and Rules 204-2(a)(10) and 204-2(e)(1) thereunder, 17 C.F.R. §§275.204-2(a)(10) and 275.204-2(e)(1).

11. Unless Defendants are permanently restrained and enjoined, they will again engage in the acts, practices, transactions, and courses of business set forth in this complaint and in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

12. The Commission brings this action pursuant to authority conferred by Advisers Act Section 209(d) and (e), 15 U.S.C. § 80b-9(d) and (e).

13. The Commission seeks a final judgment: (a) restraining and permanently enjoining Defendants from engaging in the acts, practices and courses of business alleged against them herein and from committing future violations of the above provisions of the federal securities laws; (b) ordering Defendants to disgorge their ill-gotten gains and to pay prejudgment interest thereon; (c) imposing civil money penalties pursuant to Advisers Act Section 209(e), 15 U.S.C. § 80b-9(e); and (d) ordering such other and further relief the Court may deem just and appropriate.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction pursuant to Advisers Act Sections 209(d), 209(e), and 214, 15 U.S.C. §§ 80b-9(d), 80b-9(e), and 80b-14.

15. Venue is proper in this district pursuant to Advisers Act Section 214, 15 U.S.C. § 80b-14. During the Relevant Period, Defendants were inhabitants of this district and transacted business in this district. Many of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within this district and many of the clients that Defendants advised were located in this district.

16. In connection with the conduct alleged in this Complaint, Defendants, directly or indirectly, made use of the mails or the means or instrumentalities of interstate commerce, including communicating by telephone, mail, and email with multiple clients and with third parties located in several states, including Idaho, Wyoming, Utah, and others.

DEFENDANTS

17. **Yellowstone Partners, LLC**, based in Idaho Falls, Idaho, was organized as a limited liability company in Idaho on August 3, 2004 and became registered with the Commission as an investment adviser on October 24, 2005. During the Relevant Period, Yellowstone was owned by Hansen (90%), High (5%), and by another individual, Yellowstone's Chief Investment Officer (5%). In or around June 2017, the owners ceded their ownership interests in Yellowstone, and Yellowstone came under ownership of an unrelated individual. Yellowstone has since ceased operations and withdrew its registration with the Commission on November 13, 2018.

18. **David Henry Hansen**, age 48, formerly a resident of Idaho Falls, Idaho during the Relevant Period, and currently a resident of Queen Creek, Arizona, was the President and Chief Executive Officer ("CEO"), majority (90%) owner, and control person of Yellowstone from its inception and throughout the Relevant Period. Hansen was an investment adviser representative under Yellowstone from January 2006 to May 2017. Hansen was a registered representative associated with registered broker-dealers from 1994-2010 and held a Series 7 license.

19. **Cameron G. High**, age 38 and a resident of Idaho Falls, Idaho, is former Chief Compliance Officer ("CCO") and former minority owner of Yellowstone. High was a 5% owner of Yellowstone from approximately 2012 to June 2017 and was registered as an investment adviser representative under Yellowstone from July 2006 to March 2017. High was previously a registered representative with a registered broker-dealer from April 2006 to October 2017, and held Series 7 and 66 licenses.

FACTS

I. Background of Yellowstone's Investment Advisory Business

20. During the Relevant Period, Yellowstone provided financial planning and investment advisory services to a large client base, consisting primarily of high net-worth individuals, individuals, personal and family trusts, and retirement plans.

21. As majority owner, President and CEO of Yellowstone, Hansen controlled Yellowstone and was its primary decision maker during the Relevant Period. Hansen was High's supervisor and gave direction to High.

22. High was CCO and minority owner of Yellowstone during the Relevant Period. High was trained by Hansen and spent all of his investment advisory career under Hansen's employ and tutelage.

23. As a registered investment adviser or investment adviser representatives, Defendants recruited clients and worked directly with clients in advising them directly as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

24. As owners of Yellowstone, both Hansen and High received a percentage of Yellowstone's profits, which were based largely on the amount of advisory fees billed. There were several quarters during the Relevant Period, however, where no profits were distributed to High as a minority owner due to the depletion of the operating account by Hansen.

25. Both Hansen and High received a portion of the fees from the advisory clients they personally managed as investment adviser representatives.

26. In July 2016, Yellowstone had approximately 3,072 client accounts from 2,104 households with total assets under management ("AUM") of approximately $861.9 million. Of the $861.9 million, approximately $375.1 million was managed by independent contractor/affiliated investment adviser representatives ("Affiliated Advisers"). The remaining $486.8 million was managed by Yellowstone in "home office" accounts.

27. Approximately $476 million in client assets was held in custody at Raymond James & Associates, Inc. ("Raymond James"), a broker-dealer registered with the Commission. The remaining client assets were held with other custodial broker-dealers.

28. In July 2016, Yellowstone had sixteen employees and eleven Affiliated Advisers in nine branch offices located in six states, with the majority being located in Idaho and Utah.

29. The Affiliated Advisers provided investment advice under the umbrella of Yellowstone's investment adviser registration, and Yellowstone provided them with turnkey asset management, compliance, back office, and administrative services (including fee billing services).

III. Yellowstone's Billing Practices

30. During the Relevant Period, Hansen directed that billing of client accounts was to be conducted principally by High and one other investment adviser representative. Originally, High was responsible for all billing for Yellowstone. After a period of time, at the direction of Hansen, High was responsible for the billing of home office accounts and the other employee was responsible for accounts managed by Affiliated Advisers.

31. During the Relevant Period, Defendants calculated and tracked billings for management fees through manual calculation and Excel spreadsheets. High maintained a spreadsheet that listed fee rates to be charged to each account for those clients for which he was

responsible. High calculated fees manually based on the agreed-upon percentage of assets in each client's account.

32. In order to assess fees for client accounts held at Raymond James, Yellowstone, through High or Hansen or the other investment adviser representative, sent an email to Raymond James with a spreadsheet listing the account numbers and amount of fees to be charged to each account. Raymond James would then post the fees to the account, deduct the fees, and submit the funds to Yellowstone's account.

33. Pursuant to agreement with Yellowstone, Raymond James sent monthly billing statements to Yellowstone's clients showing fees assessed. The statements were sent by U.S. mail or email.

34. Both Hansen and High submitted billings to Raymond James by email throughout the Relevant Period. Although High was primarily responsible for billing, at times during the Relevant Period, Hansen also communicated by email with Raymond James to submit billings for advisory fees.

35. During the Relevant Period, Yellowstone charged clients an annual fee and an additional quarterly management fee. Thus, client accounts should typically have had five total charges for management fees each year.

36. The annual fee was typically 1.00%, billed in the first quarter of the billing year, and the quarterly fees were typically 1.00% annually, with one quarter of the fee charged each quarter.

37. Many clients had varying rates, however, depending upon negotiation with Yellowstone. For example, clients with higher account balances were often charged lower fee percentage rates.

38. Clients who did not meet certain criteria paid a typical annual fee of 2%, rather than the typical 1% paid by other clients who met the "qualified client" criteria. Yellowstone's practice

was to bill those accounts 1% in the first month of the billing year and 1% in the second or third month of the billing year for their annual 2% fee, thus those accounts were typically subject to six total charges for management fees each year.

39. For many accounts during the Relevant Period, the percentage of fees charged was supposed to be based on performance realized in the account. For example, a higher percentage could be charged if the account received returns above an agreed-upon rate. The agreed-upon fees were sometimes based on a range of returns and rates charged.

40. At the beginning of the Relevant Period and through 2009, Yellowstone's practice was to charge annual fees at the beginning of the client's billing cycle year, which was the anniversary of the date the client opened the account.

41. In 2009, Yellowstone eliminated the annual performance fee model and began charging all clients a flat annual fee, typically 1%.

42. In 2013, Yellowstone began charging and collecting annual fees from clients during the first quarter of each calendar year, as opposed to on their anniversary date, as had been the prior practice.

II. Defendants Failed to Maintain Contracts With Clients As Required

43. The agreements between Yellowstone and its clients were contracts. Yellowstone's written policies and procedures required written and signed contracts with its clients. Yellowstone's practice was to document contracts in written Investment Advisory Agreements ("IAAs"), which set forth, among other things, the fees agreed upon for each particular client and account. All agreements between Yellowstone and its clients should have been documented in IAAs.

44. As a Commission-registered investment adviser, Yellowstone was required by the Advisers Act and rules thereunder to make and keep true, accurate and current all written agreements

entered into by the investment adviser with any client and to keep such records in an easily accessible place for a period of five years.

45. Defendants were aware of Yellowstone's policies and procedures and Advisers Act rules and requirements that required written IAAs to be obtained for each client and to be readily accessible for five years. As registered investment adviser representatives, Hansen and High knew and represented to licensing agencies and the public that they knew of and would abide by the Advisers Act and rules thereunder.

46. During the Relevant Period, Hansen and High participated in regulatory exams conducted by the Commission and both were involved in drafting and implementing Yellowstone's policies and procedures manual, which provided that IAAs and all contracts with clients be retained for a period of five years in an accessible location.

47. Both Hansen and High were responsible for obtaining IAAs from their individual clients and knew of Yellowstone's procedures and the Advisers Act requirements and rules, but failed to follow them, while knowing that failure to do so would be improper or illegal.

48. Despite their knowledge of statutory, regulatory, and firm requirements, Defendants failed to obtain updated IAAs for all of its clients when changes were made to their fee structures. In addition, Yellowstone was unable to locate many IAAs for current and past clients during the Relevant Period, and other IAAs within the five-year retention period were not readily available.

III. Defendants Engaged In a Scheme to Defraud Yellowstone Clients Through Misappropriation of Client Funds Disguised as Charges for Management Fees

49. During the Relevant Period, Hansen devised a scheme to defraud Yellowstone's clients by overbilling them for advisory fees not earned. Defendants employed the scheme and engaged in transactions, practices, or courses of business that operated as a fraud or deceit upon Yellowstone's clients.

50. Yellowstone, through Hansen and High, did not always follow established procedures with regard to billing of fees. For example, Yellowstone billed its annual fee to various clients more than once during particular 12-month billing periods. By April 2016, some clients had been billed annual fees for multiple years in advance.

51. Yellowstone also charged at least fourteen qualified clients a 2% annual fee, when they should have been charged the 1% annual fee charged to qualified clients.

52. Other clients were billed for a full annual fee, although assets were held for less than a full year, and thus fees should have been prorated accordingly.

53. For those accounts in which fees were supposed to be based on performance, Defendants sometimes charged the maximum fee agreed-upon, without considering whether the account met the performance required to charge the maximum fee.

54. In addition, Yellowstone collected its quarterly fees at the start of each quarter. During the Relevant Period, Yellowstone, through Hansen and High, began taking fees, up to 90 days or more in advance of the quarter. Rather than crediting accounts for fees taken in advance, Yellowstone, through Hansen and High, billed additional quarterly fees, even though fees had already been charged and paid for that period. This caused several clients to be double-billed for quarterly fees many times during the Relevant Period.

55. At other times during the Relevant Period, Hansen instructed High to submit billings in addition to the annual and quarterly fees. Hansen claimed these extra billings were for work performed in addition to regular advisory services. High submitted the billings at Hansen's request without question. Neither Hansen nor anyone else at Yellowstone performed extra work for these overbillings.

56. Hansen also bypassed High on several occasions and personally submitted extra billings to Raymond James directly. The fees billed were likewise unearned, as Hansen did not

perform any extra work for the fees charged. Hansen submitted such extra billings without notifying High, who was supposed to track management fees in the client accounts.

57. At times during the Relevant Period, Hansen instructed Raymond James to deposit overbillings into his own personal account, thereby also bypassing Yellowstone's accounting or notice.

58. During the Relevant Period, Yellowstone, through Hansen and High, overbilled its clients over $11.8 million.

IV. Defendants Knowingly and Intentionally Overbilled Clients for Fees Not Earned

59. Hansen and High were licensed and registered as investment adviser representatives throughout the Relevant Period. As owners and principals of Yellowstone, their knowledge can be imputed to Yellowstone.

60. Investment advisers and their representatives are subject to a statutory fiduciary duty to act for the benefit of their clients, including the duty to exercise the utmost good faith in dealing with clients, the duty to disclose all material facts, and the duty to employ reasonable care to avoid misleading clients.

61. As investment advisor representatives and registered representatives associated with broker-dealers, Hansen and High were fully aware of their fiduciary duties owed to Yellowstone's clients and represented as such in order to obtain and retain their licenses and associations with registered entities.

62. Defendants submitted overbillings to Raymond James and caused management fees to be charged to Yellowstone's clients, even though they knew, or were reckless in not knowing, that the fees were not earned, thereby deceiving and harming Yellowstone's clients through their fraudulent scheme.

63. Many or all of the extra billings were substantial and were unearned because no extra work was performed by Hansen or anyone else at Yellowstone.

64. High considered at least some of the extra billings to be suspicious, but did not question Hansen about them and/or did not confirm that extra work had actually been performed, as Hansen claimed.

65. Defendants overbilled Yellowstone clients intentionally. During the Relevant Period, timing of overbillings correlated to times Yellowstone needed funds to meet Yellowstone's payroll and other operating expenses. Fees were also taken in advance or overbilled when Hansen needed money for personal expenses, including payments on personal airplanes, a helicopter, real property mortgages, vehicles, and other lavish expenses.

66. The overbillings occurred only in home office accounts for which Hansen and High were responsible or authorized for billing. All the overbillings were submitted to Raymond James by Hansen or High, and the affected accounts were individual clients of Hansen. Client accounts that were held at other broker-dealer custodians or that were overseen by Affiliated Advisers were not overbilled.

67. Defendants targeted Yellowstone's larger client accounts because those accounts contained significant assets, which could make overbillings less likely to be detected. Overcharges related to Yellowstone's three largest clients represented a majority of the total amounts overbilled, further showing that the affected accounts were targeted by Defendants and that the overbillings were purposefully and intentionally submitted as part of the fraudulent scheme.

68. Overbilling of fees to Yellowstone clients was pervasive, and the Defendants were made aware of several instances of overbillings during the Relevant Period. Several clients questioned Defendants about what clients believed were overbillings. When confronted, Hansen, or

High at the behest of Hansen, claimed the overbillings were the result of inadvertent error, and Yellowstone refunded fees on a number of occasions.

69. For example, in or around May 2013, Hansen directed High to overbill fees to a particular family's accounts in the amount of $83,547.26. Hansen claimed the charges were for an "origination fee," but Yellowstone was not entitled to such a fee. High did not question Hansen about the additional fees, and instructed Raymond James by email to charge the fees to the accounts. The family's accountant later questioned the fees, and the fees were later refunded. On Hansen's instruction, High misrepresented that the overbilled fees were errors by the third-party custodian, rather than disclosing that the fees were billed and taken at Hansen's instruction.

70. In another instance in 2015, one of Yellowstone's clients complained about advisory fees that appeared to be overbillings. Yellowstone agreed and refunded the fees, but did not disclose to the client that the fees were overbillings that were intentionally charged. Hansen and High were both aware of this instance.

71. In or around April 2016, one of Yellowstone's largest clients was billed an extra $58,707 in addition to other customary fees. The extra fees were unearned, and Yellowstone later refunded the fees after the client confronted Defendants about the overbillings. Hansen and High were both aware of this instance.

72. During the Relevant Period, there were additional instances of clients or employees questioning what appeared to be excessive fees charged to client accounts. Sometimes, Yellowstone admitted the fees were overbillings and refunded them, but claimed the fees were billed by inadvertent error. Hansen and High were both aware of these instances.

73. The overbillings were not caused by inadvertent error. The clear pattern of pervasive overbillings over many years by Defendants coincided to times when Yellowstone or Hansen needed funds for business operations or Hansen's personal expenses. Defendants received notice of

overbillings on multiple occasions during the Relevant Period, but continued to submit overbillings, even after such notice. The pervasive nature of the overbillings and failure to correct exposed problems shows that Defendants knowingly, or recklessly, and intentionally overbilled Yellowstone's clients.

V. Material Misrepresentations to Yellowstone Clients

74. During the Relevant Period, Defendants represented to their advisory clients that they would be charged an agreed-upon rate for management fees. Instead of charging the agreed-upon rates, Defendants submitted overbillings to Raymond James for management fees that were not earned and caused clients to be billed for work that was not performed.

75. Hansen and High caused Raymond James to bill Yellowstone clients in their respective accounts for unearned fees. Through their actions, Defendants caused over $11.8 million in unearned fees to be assessed and taken from client accounts and transferred to Yellowstone's or Hansen's accounts.

76. Based on Defendants' instruction, Raymond James sent periodic statements to Yellowstone clients. The statements misrepresented that certain fees billed and taken were for work performed by Yellowstone, when in fact, such fees were not earned and were part of a fraudulent scheme to defraud clients and enrich Defendants.

77. The amount of overbillings was substantial and resulted in over $11.8 million in unearned fees stolen from Yellowstone's clients and transferred to Defendants.

78. The misrepresentations to clients related to the overbillings were material and important to Yellowstone clients, as evidenced by, among other things, multiple client complaints over the years.

FIRST CLAIM FOR RELIEF
Violation of Section 206(1) of the Advisers Act
(Yellowstone and Hansen)

79. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 78 as if fully set forth herein.

80. During the Relevant Period, Yellowstone was a Commission-registered "investment adviser" by virtue of its Form ADV initial registration statement with the Commission that became effective on October 24, 2005, and which was later withdrawn on November 13, 2018.

81. By engaging in the conduct alleged herein, Yellowstone and Hansen were "investment advisers" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because they were persons who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

82. As set forth above, Yellowstone and Hansen made materially false and misleading statements and omissions, including misrepresenting overbillings as fees earned and failing to disclose that overbillings were intentionally charged and taken to enhance Defendants' income. Yellowstone and Hansen knew or were reckless in not knowing of the conduct alleged herein.

83. Yellowstone and Hansen, directly or indirectly, singularly or in concert, by use of the mails or any means of instrumentality of interstate commerce, while acting as investment advisers, employed devices, schemes, or artifices to defraud clients with scienter.

84. As a result, Yellowstone and Hansen have violated and, unless enjoined, will continue to violate Advisers Act Section 206(1), 15 U.S.C. § 80b-6(1).

SECOND CLAIM FOR RELIEF
Violation of Section 206(2) of the Advisers Act
(Yellowstone and Hansen)

85. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 78 as if fully set forth herein.

86. By engaging in the conduct alleged herein, Yellowstone and Hansen were "investment advisers" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because they were persons who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

87. As set forth above, Yellowstone and Hansen made materially false and misleading statements and omissions, including misrepresenting overbillings as fees earned and failing to disclose that overbillings were intentionally charged and taken to enhance Defendants' income. Yellowstone and Hansen were at least negligent in engaging in the conduct alleged herein.

88. Yellowstone and Hansen, directly or indirectly, singularly or in concert, by use of the mails or any means of instrumentality of interstate commerce, while acting as investment advisers, engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon a client or prospective client, with at least negligence.

89. As a result, Yellowstone and Hansen have violated and, unless enjoined, will continue to violate Advisers Act Section 206(2), 15 U.S.C. § 80b-6(2).

THIRD CLAIM FOR RELIEF
In the Alternative, Aiding and Abetting Yellowstone's Violations of Sections 206(1) and 206(2) of the Advisers Act
(Hansen)

90. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 78 as if fully set forth herein.

91. During the Relevant Period, Yellowstone was an "investment adviser" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because it was a person who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

92. By engaging in the conduct alleged herein, Yellowstone, by use of the mails or any means of instrumentality of interstate commerce, directly or indirectly, acting knowingly, recklessly, or negligently: (a) has employed devices, schemes, or artifices to defraud; and (b) has engaged in transactions, practices, or courses of business which operate as a fraud or deceit upon a client or prospective client, in violation of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

93. By engaging in the conduct alleged herein, Hansen knowingly or recklessly provided substantial assistance to Yellowstone in its violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

94. As a result, Hansen aided and abetted Yellowstone's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2), and are liable under those sections pursuant to Advisers Act Section 209(f), 15 U.S.C. § 80b-9(f).

FOURTH CLAIM FOR RELIEF
Aiding and Abetting Yellowstone's Violations of Sections 206(1) and 206(2) of the Advisers Act (High)

95. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 78 as if fully set forth herein.

96. During the Relevant Period, Yellowstone was an "investment adviser" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because it was a person who, for compensation, engaged in the business of advising others, either directly or through publications

or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

97. By engaging in the conduct alleged herein, Yellowstone, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, acting knowingly, recklessly, or negligently: (a) has employed devices, schemes, or artifices to defraud; and (b) has engaged in transactions, practices, or courses of business which operate as a fraud or deceit upon a client or prospective client, in violation of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

98. By engaging in the conduct alleged herein, High knowingly or recklessly provided substantial assistance to Yellowstone in its violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. §80-b-6(2).

99. As a result, High aided and abetted Yellowstone's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(2), and is liable under that section pursuant to Advisers Act Section 209(f), 15 U.S.C. § 80b-9(f).

FIFTH CLAIM FOR RELIEF
Violation of Advisers Act Section 204(a)
and Rules 204-2(a)(10) and 204-2(e)(1) Thereunder
(Yellowstone)

100. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 78 as if fully set forth herein.

101. During the Relevant Period, Yellowstone was a Commission-registered "investment adviser" by virtue of its Form ADV initial registration statement with the Commission that became effective on October 24, 2005, and which was later withdrawn on November 13, 2018.

102. By engaging in the conduct described above, Yellowstone, while acting as a registered investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with its business as an investment adviser, failed to make and

keep true, accurate, and current books and records relating to its investment advisory business, including, but not limited to, all written agreements (IAAs) entered into by Yellowstone with any client and failed to maintain and preserve such written agreements (IAAs) in an easily accessible place for a period of not less than five years.

103. By reason of the foregoing, Yellowstone violated Advisers Act Section 204(a), 15 U.S.C. § 80b-4(a) and Rules 204-2(a)(10) and 204-2(e)(1) thereunder, 17 C.F.R. §§ 275.204-2(a)(10) and 275.204-2(e)(1).

SIXTH CLAIM FOR RELIEF
Aiding and Abetting Yellowstone's Violations of Advisers Act Section 204(a) and Rules 204-2(a)(10) and 204-2(e)(1) Thereunder
(Hansen and High)

104. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 78 as if fully set forth herein.

105. During the Relevant Period, Yellowstone was a Commission-registered "investment adviser" by virtue of its Form ADV initial registration statement with the Commission that became effective on October 24, 2005, and which was later withdrawn on November 13, 2018.

106. By engaging in the conduct described above, Yellowstone, while acting as a registered investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with its business as an investment adviser, failed to make and keep true, accurate, and current books and records relating to its investment advisory business, including, but not limited to, all written agreements (IAAs) entered into by Yellowstone with any client and failed to maintain and preserve such written agreements (IAAs) in an easily accessible place for a period of not less than five years.

107. By reason of the foregoing, Yellowstone violated Advisers Act Section 204(a), 15 U.S.C. § 80b-4(a) and Rules 204-2(a)(10) and 204-2(e)(1) thereunder, 17 C.F.R. §§ 275.204-2(1)(10) and 275.204-2(e)(1).

108. By engaging in the conduct set forth above, Hansen and High knowingly or recklessly provided substantial assistance to Yellowstone in its violations of Advisers Act Section 204(a), 15 U.S.C. § 80b-4(a) and Rules 204-2(a)(10) and 204-2(e)(1) thereunder, 17 C.F.R. §§ 275.204-2(a)(10) and 275.204-2(e)(1), and are liable under those sections pursuant to Advisers Act Section 209(f), 15 U.S.C. § 80b-9(f).

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Finding that Defendants violated the securities laws and rules promulgated thereunder as alleged against them herein.

II.

Permanently restraining and enjoining Defendants from violating, directly or indirectly, the securities laws and rules promulgated thereunder they are alleged to have violated.

III.

Ordering Defendants to disgorge any ill-gotten gains and to pay prejudgment interest on those amounts.

IV.

Ordering Defendants to pay civil monetary penalties pursuant to Advisers Act Section 209(e), 15 U.S.C. § 80b-9(e).

V.

Granting such other and further relief as the Court may deem just and proper.

VI.

Retaining jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and

decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

Dated this 30th day of September 2019.

Respectfully submitted,

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