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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-16-0070

ORDER NO. S-16-0070-16-OR01

IN THE MATTER OF:

HRH FINANCIAL, LLC

RESPONDENT

CONSENT ORDER

This Consent Order (“Order”) is entered pursuant to the Arkansas Securities Act (“Act”), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner promulgated pursuant to the Act (“Rules”), and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement between the Staff of the Arkansas Securities Department (“Staff”) and the Respondent, HRH Financial, LLC (“HRH”).

HRH admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, consents to the entry of this Order, and agrees to abide by its terms in full and final settlement of all claims that could be brought against HRH on the basis of the facts set forth herein.

FINDINGS OF FACT

1. HRH, CRD No. 143974, is an entity currently registered as an investment adviser with the Arkansas Securities Department (“Department”). HRH’s principal place of business is located at 2901 E. Zion Road, Suite 5, Fayetteville, Arkansas 72703. HRH has been registered with the Department as an investment adviser since June 6, 2007.

2. In 2009, the Staff conducted a routine examination of HRH’s offices and sent a post-examination deficiency letter to HRH noting deficiencies in the execution of several of its

client contracts. In 2013, the Staff conducted a second routine examination of HRH's offices and escalated its post-examination action by sending a formal Letter of Caution to HRH again noting problems with client contracts. While the Staff opted not to take any formal action against HRH at that time, the 2013 Letter of Caution contained the following language: "[a] 2009 post examination deficiency letter sent by the Staff to HRH also noted a problem concerning client contracts. Staff believes that the continuing lack of attention to client contracts by HRH is cause for formal regulatory action."

3. On April 20, 2016, the Staff conducted a third routine examination of HRH's offices. The Staff's exam again uncovered deficiencies in the execution of client contracts. The Staff found that HRH's advisory contracts did not include information regarding the client's liquid net worth and found contracts that were missing information regarding the client's net worth and annual income.

4. HRH fully cooperated with the Staff during the Staff's examination and follow-up in this matter. HRH has assured the Staff that it has in place the proper internal controls and supervision necessary to ensure future compliance with the Act and Rules.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

5. Rule 306.02(a) of the Rules requires that all investment advisory contracts and other written agreements entered into by the investment adviser shall include the customer's risk tolerance, investment objectives, annual income, net worth, and liquid net worth, and shall be signed by all persons having an interest in the account. HRH violated Rule 306.02(a) of the Rules by failing to properly execute contracts with clients, as set forth above in paragraphs two through three.

6. Ark. Code Ann. § 23-42-308(h) provides that matters may be resolved by consent order in lieu of a formal proceeding.

UNDERTAKINGS

In settlement of this matter, HRH agrees to pay to the Department a civil penalty in the amount of \$1,000.00 immediately upon entry of this Order.

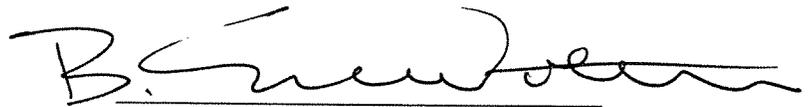
OPINION

This Order is in the public interest. The facts as set forth in paragraphs one through four support the violations of the Act as set forth in paragraphs five through six.

ORDER

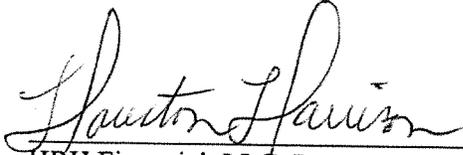
IT IS THEREFORE ORDERED that in accordance with its undertaking HRH shall pay a civil penalty to the Department in the amount of \$1,000.00. The payment shall be made immediately upon entry of this Order by check made payable to the Arkansas Securities Department, 201 East Markham Street, Suite 300, Little Rock, Arkansas 72201.

WITNESS MY HAND AND SEAL this the 13th day of October, 2016.



B. Edmond Waters
Arkansas Securities Commissioner

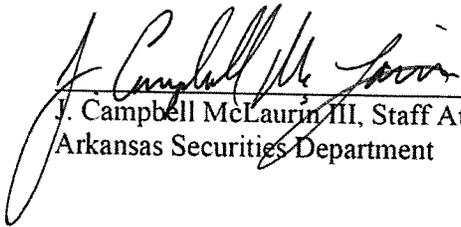
I hereby agree to the entry of this Consent Order; consent to all terms, conditions, and orders contained therein; and waive any right to appeal from this Order.



HRH Financial, LLC, Respondent
By: Houston R. Harrison, Managing Director

10/13/2016
Date

Approved as to Content and Form:



J. Campbell McLaurin III, Staff Attorney
Arkansas Securities Department

10/13/2016
Date