

JOHN MORGAN
SECURITIES COMMISSIONER



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Texas State Securities Board

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IN THE MATTER OF THE
APPLICATION FOR
DEALER REGISTRATION OF
RICHARDS, MERRILL &
PETERSON, INC. AND THE
APPLICATIONS FOR AGENT
REGISTRATIONS OF
STEVEN RICHARD LARSON
AND JOHN SCOTT LARSON

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Order No. REG16-CAF-15

TO: Thomas McDonald, Vice-President & CFO
Richards, Merrill & Peterson, Inc. (CRD #713)
Steven Richard Larson, CCO & CEO (CRD #1029292)
John Scott Larson COO & Co-CCO (CRD #1368801)
422 West Riverside Avenue
US Bank Building One Skywalk
Spokane, WA 99201

DISCIPLINARY ORDER

Be it remembered that Richards, Merrill & Peterson, Inc. ("Respondent Richards"), Steven Richard Larson ("Respondent S. Larson"), and John Scott Larson ("Respondent J. Larson") (collectively, "Respondents") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and the Findings of Facts and the Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c)

Respondents' right to appeal this Order; and (d) all other procedural rights granted to the Respondents by The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-44 (West 2010 & Supp. 2015)("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2015)("Administrative Procedure Act").

2. On or about May 2, 2016, Respondent Richards submitted an application for registration with the Securities Commissioner as a dealer. This application is currently pending.
3. On or about May 2, 2016, Respondent S. Larson and Respondent J. Larson submitted applications for registration with the Securities Commissioner as agents. This application is currently pending.
4. Prior to applying for registration with the Securities Commissioner, Respondent Richards had two regulatory actions filed against it for unregistered activity by the Oregon Department of Consumer and Business Services, Division of Financial Regulation and by the Nebraska Department of Banking and Finance.
5. From 1997 to Present, Respondents, for compensation and in Texas, sold securities without being registered with the Securities Commissioner.
6. Respondents currently have four Texas clients.
7. From 1997 to Present, Respondents executed forty-nine (49) equity and bond transactions for a Texas client ("Texas Client A".)
8. From 2014 to Present, Respondents executed twenty-two (22) equity transactions for a different Texas client ("Texas Client B").
9. In 2005, Respondents purchased two (2) mutual funds for yet another Texas client ("Texas Client C").
10. Respondents collected \$24,554.84 in fees from Texas Client A, Texas Client B and Texas Client C for the aforementioned transactions.
11. Respondent Richards is not, and has never been, registered with the Securities Commissioner as a dealer.
12. Respondent S. Larson and Respondent J. Larson are not and have never been registered with the Securities Commissioner as agents.

CONCLUSIONS OF LAW

1. Respondent Richards engaged in the selling of securities in Texas and is therefore a "dealer" as the term "dealer" is defined by Section 4.C of the Act.

2. Respondent S. Larson and Respondent J. Larson engaged in the selling of securities in Texas and are therefore "agents" as the term "agent" is defined in Section 4.D of the Act.
3. Respondent Richards violated Section 12.A of the Act by executing seventy-three (73) securities transactions for Texas clients at a time when Respondent Richards was not registered as a dealer with the Securities Commissioner.
4. Respondent S. Larson and Respondent J. Larson violated Section 12.A of the Act by executing seventy-three (73) securities transactions for Texas clients at a time when Respondents were not registered as agents of a registered dealer with the Securities Commissioner.
5. Pursuant to Section 14.A(6) of the Act, the foregoing violations constitute a basis for the issuance of an order reprimanding Respondent Richards.
6. Pursuant to Section 14.A(6) of the Act, the foregoing violations constitute a basis for the issuance of an order reprimanding Respondent S. Larson and Respondent J. Larson.
7. Pursuant to Section 23-1 of the Act, a violation of Section 12.A constitutes a basis for the issuance of an order assessing an administrative fine against Respondent Richards.
8. Pursuant to Section 23-1 of the Act, a violation of Section 12.A constitutes a basis for the issuance of an order assessing an administrative fine against Respondent S. Larson and Respondent J. Larson.

ORDER

1. It is therefore ORDERED that the agent registration of Steven Richard Larson is hereby GRANTED.
2. It is further ORDERED that Steven Richard Larson is hereby REPRIMANDED.
3. It is further ORDERED that the agent registration of John Scott Larson is hereby GRANTED.
4. It is further ORDERED that John Scott Larson is hereby REPRIMANDED.
5. It is further ORDERED that the dealer registration of Richards, Merrill & Peterson, Inc. is hereby GRANTED.
6. It is further ORDERED that Richards, Merrill & Peterson, Inc. is hereby REPRIMANDED.

7. It is further ORDERED that Richards, Merrill & Peterson, Inc. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Thirty Thousand Dollars (\$30,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Thirty Thousand Dollars (\$30,000.00), payable to the State of Texas, contemporaneously with the delivery of this order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 14th
day of September, 2016.



JOHN MORGAN
Securities Commissioner

Respondent:


Richards, Merrill & Peterson, Inc.
By: Thomas McDonald,
Vice-President & CFO

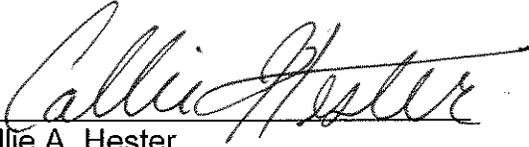
Respondent:


Steven Richard Larson

Respondent:


John Scott Larson

Approved as to Form:



Callie A. Hester
Attorney
Inspections and Compliance Division



Cristi Ramón
Attorney
Inspections and Compliance Division

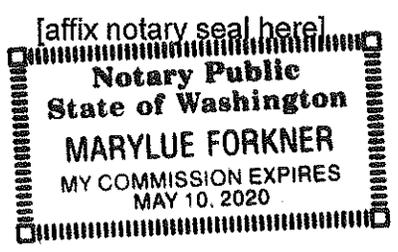
ACKNOWLEDGMENT

On the 13 day of September, 2016, Richards, Merrill & Peterson, Inc. ("Respondent Richards") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Thomas McDonald is duly authorized to enter into the foregoing Order on behalf of Respondent.
2. Respondent Richards has read the foregoing Order;
3. Respondent Richards has been fully advised of its rights under the Texas Securities Act and the Administrative Procedures Act;
4. Respondent Richards knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
5. Respondent Richards, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

Mary Sue Forkner
Notary Public in and for
the State of Washington

My commission expires on: 5/10/2020



ACKNOWLEDGMENT

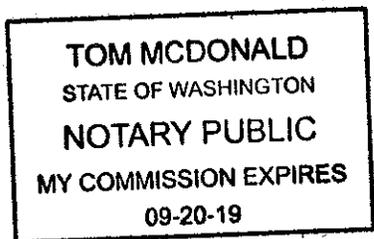
On the 13th day of September, 2016, Steven Richard Larson ("Respondent S. Larson") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent S. Larson has read the foregoing Order;
2. Respondent S. Larson has been full advised of his rights under the Texas Securities Act and the Administrative Procedures Act;
3. Respondent S. Larson knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent S. Larson, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Tom McDonald
Notary Public in and for
the State of Washington

My commission expires on: 9/20/19

[affix notary seal here]



ACKNOWLEDGMENT

On the 13th day of September 2016, John Scott Larson ("Respondent J. Larson") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent J. Larson has read the foregoing Order;
2. Respondent J. Larson has been full advised of his rights under the Texas Securities Act and the Administrative Procedures Act;
3. Respondent J. Larson knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent J. Larson, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Tom McDonald
Notary Public in and for
the State of Washington

[affix notary seal here]

My commission expires on: 9/20/19

