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DERRICK MITCHELL
MEMBER

E. WALLY KINNEY
MEMBER

IN THE MATTER OF
THE INVESTMENT ADVISER
REGISTRATION OF
HUNT ADVISORS LLC AND
THE INVESTMENT ADVISER
REPRESENTATIVE REGISTRATION OF
JOHN WARD HUNT

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Order No. IC11-REV-07

TO: John Ward Hunt, President
Hunt Advisors LLC (IARD No. 146685)
4516 Lovers Lane, Suite 239
Dallas, TX 75225

John Ward Hunt (CRD No. 5510382)
4516 Lovers Lane, Suite 239
Dallas, TX 75225

DISCIPLINARY ORDER

Be it remembered that Hunt Advisors LLC ("Respondent Hunt Advisors"), by and through John Ward Hunt, its President, and John Ward Hunt, individually, ("Respondent Hunt")(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 Fact and 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. art. 581-1 et seq. (Vernon 1964 & Supp. 2010)("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2008 & Supp. 2010)("Administrative Procedure Act").
2. On September 10, 2008, Respondent Hunt Advisors registered with the Securities Commissioner as an investment adviser. This registration is currently effective.

3. On September 10, 2008, Respondent Hunt registered with the Securities Commissioner as an investment adviser representative of Respondent Hunt Advisors. This registration is currently effective.

A. Unregistered Investment Advisory Activity

4. From in or about December 2007 to in or about July 2008, Respondent Hunt engaged in the business of advising others with respect to the value of securities and the advisability of investing in, purchasing, or selling securities. In exchange for this investment advice, Respondent Hunt received compensation in the form of a fee based on investment performance.
5. However, during this period, Respondent Hunt was not registered with the Securities Commissioner as an investment adviser or investment adviser representative of a registered investment adviser.
6. Section 12.B of the Texas Securities Act states that “a person may not, directly or through an investment adviser representative, render services as an investment adviser in this state unless the person is registered under the Act, submits a notice filing as provided by Section 12-1 of this Act, or is otherwise exempt under this Act.”

B. Inappropriate Collection of Performance Fees

7. After September 2008, Respondents provided investment advice to an investment partnership, Hunt Fund, Ltd. (“Hunt Fund”). Respondent Hunt Advisors is the General Partner of the Hunt Fund.
8. Respondents obtained twenty (20) investors for the Hunt Fund with principal investments totaling over \$970,000. In connection with their investments in the Hunt Fund, each investor received a private placement memorandum dated September 15, 2008 (“PPM”) and a limited partnership agreement dated September 9, 2008 (“Initial LPA”). The PPM and Initial LPA described numerous facts about the Hunt Fund, including the fees that the Hunt Fund would pay to Respondent Hunt Advisors.
9. Specifically, the PPM and the Initial LPA stated that each investor in the Hunt Fund would be charged either:
 - a. A 2.5% annual management fee, which would be calculated and charged quarterly based on the value of the investor’s interest in the Hunt Fund; or
 - b. If the investor was a “qualified client” or a “qualified limited partner”, a 2% annual management fee (on a quarterly basis) plus a 15% performance fee payable annually.

10. The PPM defined “qualified client” as “a natural person or company who has invested at least \$750,000 in the [Hunt Fund] immediately after becoming an investor in the [Hunt Fund]..., or have a net worth (or joint net worth with your spouse) at the time of your purchase which exceeds \$1,500,000. The Initial LPA contained a similar definition for “qualified limited partner”.
11. A majority of investors in the Hunt Fund were not “qualified clients” or “qualified limited partners”. Nonetheless, Respondents assessed each investor a performance fee.
12. Furthermore, §116.13(b) of the Board Rules specifies that a registered investment adviser may only charge a performance fee to a “qualified client” as defined by the Board Rule. Board Rule 116.13(b) defines “qualified client” similar to the PPM.

CONCLUSIONS OF LAW

1. During the period from December 2007 to July 2008, Respondent Hunt was acting as an “investment adviser” as the term “investment adviser” is defined in Section 4.N of the Texas Securities Act. Respondent Hunt violated Section 12.B of the Texas Securities Act by rendering services as an investment adviser in Texas at a time when he was not registered with the Securities Commissioner as an investment adviser.
2. The Respondents’ collection of performance fees from clients that were not “qualified clients” or “qualified limited partners” as defined by the PPM and the Initial LPA, respectively, was contrary to the representations in the PPM and Initial LPA and constitutes an inequitable practice in rendering services as an investment adviser.
3. Respondent Hunt Advisors violated §116.13(b) of the Board Rules by charging a performance fee to persons that did not meet the definition of “qualified client” under §116.13(b) of the Board Rules.
4. Pursuant to Section 14.A(3) and 14.A(6) of the Texas Securities Act, the inequitable practice in rendering services as an investment adviser and violation of a Board Rule are bases for revoking the Respondent Hunt Advisor’s registration with the Securities Commissioner.
5. Pursuant to Section 14.A(3) and 14.A(6) of the Texas Securities Act, the inequitable practice in rendering services as an investment adviser and violation the Texas Securities Act are bases for revoking the Respondent Hunt’s registration with the Securities Commissioner.

ORDER

1. It is therefore ORDERED that the investment adviser registration of Hunt Advisors LLC is hereby REVOKED.
2. It is further ORDERED that the investment adviser representative registration of John Ward Hunt is hereby REVOKED.
3. It is further ORDERED that Hunt Advisors LLC and John Ward Hunt COMPLY with the terms of the Undertaking with the Securities Commissioner incorporated by reference herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 24th
day of MAY, 2011.



BENETTE L. ZIVLEY
Securities Commissioner

Respondents:

Hunt Advisors LLC



By: John Ward Hunt
President

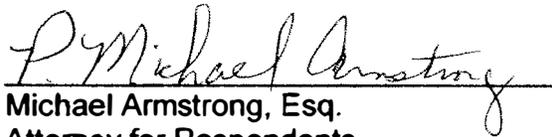


John Ward Hunt, Individually

Approved as to Form:



Ronak V. Patel
Director
Inspections and Compliance Division

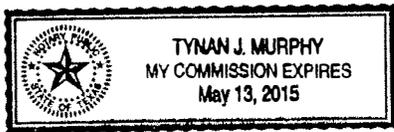


P. Michael Armstrong, Esq.
Attorney for Respondents

ACKNOWLEDGMENT

On the 20th day of MAY, 2011, Hunt Advisors LLC ("Respondent Hunt Advisors"), by and through, John Ward Hunt, personally appeared before me, executed the foregoing Order, and acknowledges that:

1. John Ward Hunt is duly authorized to enter into the foregoing Order on behalf of Respondent Hunt Advisors;
2. John Ward Hunt has read the foregoing Order;
3. Respondent Hunt Advisors has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent Hunt Advisors 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 Hunt Advisors, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



[affix notary seal here]

T. Murphy
Notary Public in and for
the State of TEXAS

My commission expires on: 5-13-2015

ACKNOWLEDGMENT

On the 20th day of May, 2011, John Ward Hunt ("Respondent Hunt") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent Hunt has read the foregoing Order;
2. Respondent Hunt has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Hunt 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 Hunt, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

T. Murphy
Notary Public in and for
the State of TEXAS

My commission expires on: 5-13-2015