State of Maine
Office of Securities
121 State House Station
Augusta, Maine, 04333-0121

In Re: H.D.Vest Investment Services

Consent Agreement
11-7327-CAG

This Consent Agreement is entered into by and among the Administrator of the Maine Office of Securities ("the Office"), the Maine Office of the Attorney General, and H.D. Vest Investment Services ("H.D. Vest").

WHEREAS, the parties agree as follows:

1. H.D. Vest (CRD #13686), is a Maine-licensed broker-dealer with its principal place of business in Irving, Texas.

2. At all relevant times, Robert A. Thomas ("Thomas") was an agent of H.D. Vest in the firm's Bangor, Maine, branch office.

3. Client E.H. ("Client") and her husband employed Thomas as their financial and tax adviser for a number of years prior to the death of Client's husband in May of 2005. Client continued to rely on Thomas for investment advice following her husband's death.

4. In June of 2005 Client opened two accounts with H.D. Vest. One account was a retirement account into which she transferred assets from her late husband's qualified retirement account. The other was a brokerage account funded by proceeds from her late husband's life insurance policy.

5. The new account forms completed by Client list her investment experience as low and provide investment objectives of income and capital appreciation and a moderate risk tolerance.

6. At Thomas's recommendation, the majority of Client's assets were invested in two income producing taxable bond funds, the Oppenheimer Champion Income Fund ("Champion Income Fund") and the Oppenheimer High Yield Fund ("High Yield Fund").

7. The holdings in Client's retirement and non-retirement accounts comprised her entire liquid net worth and served as her primary source of income following her husband's death. Client made Thomas aware that her investments needed to generate a level of income on which she could rely to pay her bills and other living expenses.

8. According to the prospectuses for the High Yield Fund and the Champion Income Fund[1], both funds were investing in below investment grade bond funds, commonly called "junk bonds." The prospectuses for both the Champion Income Fund and the High Yield Fund also state that "[s]ince the fund's income level will fluctuate; it is not designed for investors needing an assured level of current income." Further, the High Yield Fund prospectus specifically states that the "[f]und's investments should be considered speculative."

9. H.D. Vest's written supervisory procedures ("WSPs") require that sales supervisors utilize various exception reports when conducting their review of customer transactions. One such exception report utilized by H.D. Vest is the Below Investment Grade Bond Report ("B.I.G. Report") that identifies purchases of $10,000 or more in bonds or bond funds where the rating is BB or lower and the portfolio contains at least 30 percent of BB or lower rated securities.

10. On three separate occasions, Thomas's supervisor reviewed a B.I.G. Report generated for the holdings in Client's accounts. Following the review of each B.I.G. Report, Thomas's supervisor approved the report despite an apparent overconcentration in below investment grade bond funds.

11. Between June 2005 and September 2010, Client incurred significant capital losses and, on her own initiative, liquidated her remaining Champion Income Fund holdings.

12. All parties desire an expeditious resolution of this matter.

13. Without trial or adjudication of any issues of fact or law, and without H.D. Vest admitting any violation of the Maine Revised Securities Act or the Maine Uniform Securities Act, H.D. Vest consents to the entry of this Consent Agreement and waives any right to a hearing or to judicial review.

14. The parties do not intend this Consent Agreement to subject H.D. Vest or any of its affiliates to any disqualifications under federal or state securities laws, including but not limited to SEC Rule 506(d) promulgated under the Securities Act of 1933, as amended.

NOW THEREFORE, it is agreed that:

1. In lieu of the Securities Administrator instituting a proceeding and/or seeking the imposition of a fine or other penalty for the conduct discussed herein, H.D. Vest shall pay the sum of $80,000 to Client E.H. payable within 10 business days from the date H.D. Vest receives a fully executed copy of this Consent Agreement;

2. This is not a consent decree or order and no findings have been made against H.D. Vest;

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[1] The dates of the High Yield Fund prospectus and the Champion Income Fund prospectus discussed in this consent agreement are August 27, 2004, and November 24, 2004, respectively.

3. Except as set forth above, the Securities Administrator agrees to take no further action adverse to H.D. Vest or Robert A. Thomas based solely on the same conduct addressed in this Consent Agreement, PROVIDED, however, that this paragraph applies only to the activity previously disclosed to the Office; and

4. Failure by H.D. Vest to adhere to the above conditions may constitute grounds for the Securities Administrator to take any other appropriate actions.

H.D. Vest Investment Services
By:

Date: November 21, 2013

Brian A. Stern
General Counsel

Date: November 26, 2013

Judith M. Shaw
Securities Administrator

Date: November 26, 2013

Carrie L. Carney
Assistant Attorney General