

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6035 / May 26, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20684**

**In the Matter of**

**DAVID HENRY HANSEN,**

**Respondent.**

**ORDER MAKING FINDINGS, AND  
IMPOSING REMEDIAL SANCTIONS  
PURSUANT TO SECTION 203(f) OF THE  
INVESTMENT ADVISORS ACT OF 1940.**

**I.**

The Securities and Exchange Commission (“Commission”), on December 20, 2021, instituted the above-captioned public administrative proceedings pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against David Henry Hansen (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III below, and consents to the entry of this Order Making Findings, And Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Hansen was the President and Chief Executive Officer, majority owner, and control person of Yellowstone Partners, LLC (“Yellowstone Partners”), an investment adviser formerly registered with the Commission. From January 2006 until May 2017, Hansen was an investment advisor representative under Yellowstone. Hansen, 49 years old, is a resident of Queens Creek, Arizona.

2. On August 17, 2021, a final judgment was entered by consent against Hansen, permanently enjoining him from future violations of Sections 204(a), 206(1), and 206(2) of the Advisers Act, and Rules 204-2(a)(1) and 204-2(e)(1) thereunder, in the civil action entitled Securities and Exchange Commission v. Yellowstone Partners, LLC et al., Civil Action Number 4:19-cv-00374, in the United States District Court for the District of Idaho.

3. The Commission’s complaint alleged that Hansen, as an investment advisor representative associated with Yellowstone, caused Yellowstone to overbill investment advisory clients as part of a fraudulent scheme to inflate his and his co-defendants’ income. In addition, the Complaint alleged that Hansen 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.

4. On November 25, 2019, Hansen pled guilty to one count of wire fraud in violation of Title 18 United States Code, Section 1343, before the United States District Court for the District of Idaho, in United States v. Hansen, Crim. Information No. 4:18-cr-00346. On November 4, 2020, a judgment in the criminal case was entered against Hansen. He was sentenced to a prison term of 60 months followed by three years of supervised release and ordered to make restitution in the amount of \$2,215,764.31.

5. In connection with that plea, Respondent admitted, *inter alia*, that:

- (a) From approximately 2008 through approximately April 2016, Hansen was the Chief Executive Officer and 90-percent partner in Yellowstone Partners, LLC, an investment management firm headquartered in Idaho Falls, Idaho;
- (b) Clients of Yellowstone Partners entrusted their monies to Yellowstone Partners to invest and manage on their behalf. In exchange, Yellowstone Partners earned fees for its services. Yellowstone Partners’ fees were set forth in investment agreements between Yellowstone Partners and its clients;
- (c) From April 2008 through April of 2016, Hansen knowingly and intentionally devised a scheme to defraud clients of Yellowstone Partners by obtaining money or property by means of false and fraudulent pretenses, representations, and promises. Specifically, the scheme was to fraudulently bill clients for fees to which Yellowstone Partners was not entitled under the terms of the investment agreements or otherwise; and

(d) Through this overbilling scheme, Hansen fraudulently obtained client funds and used them to enrich himself and to fund Yellowstone Partners' operations.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Hansen's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Hansen be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman  
Secretary