BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE

OF THE STATE OF IDAHO

STATE OF IDAHO, DEPARTMENT OF FINANCE, SECURITIES BUREAU, Complainant, vs. RICHARD C. NIECE, PHILLIP GARDNER and SEASCAPE MANAGEMENT CO., LLC and FIRST SECURITY INVESTOR SERVICES, INC. AND VAN KASPER LLC, Respondents.	)	Docket No. 2005-7-27 **AGREEMENT AND ORDER – RESPONDENT FIRST SECURITY INVESTOR SERVICES, INC./VAN KASPER, LLC**

The Director of the Department of Finance has investigated the conduct of First Securities Investor Services, Inc. and Van Kasper, LLC. Pursuant to said Investigation, it appears to the Director that violations of the Idaho Securities Act (Act) have occurred. The Director and First Securities Investor Services, Inc. and Van Kasper, LLC have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Respondent consents to the entry of this Agreement and Order.

///

///

///

///

BACKGROUND

1. Van Kasper, LLC, and its predecessor First Security Van Kasper, LLC were, at all relevant times, licensed as broker-dealers in the State of Idaho. The two registered entities are sometimes collectively referred to herein as Respondent.[1]

2. Between the years 1996 until September 14, 2001, Richard C. Niece was employed by First Security Investor Services, Inc. and successor entities including Van Kasper, LLC, as a securities representative.

3. Between 2000 until sometime before September 14, 2001, Niece conducted business activity outside the scope of his regular employment without written notice being provided to his employer firm.

4. Between 2000 and sometime before September 14, 2001, Niece facilitated numerous investors' purchases of InfoSpi.com stock without the knowledge of First Security Investor Services, Inc. and Van Kasper, LLC.

5. InfoSpi.com was not registered as a security in Idaho and no claim of exemption from Idaho registration has been made.

---

[1] First Security Investor Services was initially owned by First Security Bank. In or about February 1999 First Security Bank acquired Van Kasper LLC, after which Van Kasper LLC and First Security Investor Services were merged into one broker/dealer entity known as First Security Van Kasper. In or about October 2000 Wells Fargo & Company acquired First Security Corporation. In or about January 2001, after the events which are the subject of the present Agreement and Order, First Security Van Kasper became Wells Fargo Van Kasper, LLC. Wells Fargo Van Kasper was a separately operated division of Wells Fargo Investments LLC. Neither Wells Fargo Van Kasper nor Wells Fargo Investments LLC is charged in the present proceeding. However, the Wells Fargo entities have authorized First Security Investor Services and First Security Van Kasper to enter into the Agreement and Order and has contributed the amounts to be paid in settlement by those entities.

6. Unauthorized activities with unregistered stock using the facilities, personnel and supplies of First Security Investor Services, Inc. and Van Kasper, LLC resulted in substantial losses to investors, most of who were First Security Investor Services, Inc. and Van Kasper, LLC clients.

FINDINGS OF VIOLATIONS

COUNT ONE

7. First Security Investor Services, Inc. and Van Kasper, LLC violated Rule 119 requiring diligent supervision over the securities activities of salesmen, investment adviser representatives and employees.

8. This Rule is codified in IDAPA 12.01.08.119, *et seq.*

9. Idaho Code §30-1413(2) provides for the suspension or revocation of registration or the imposition of an administrative penalty not to exceed ten thousand dollars ($10,000) for such violation.

REMEDIES

10. Respondent neither admits nor denies the findings of violations contained in this Agreement and Order, but is desirous of resolving any issues resulting from actions of a predecessor entity or entities.

11. Respondent agrees to pay the sum of $51,000.00 in restitution, payable within ten (10) days from execution of this Agreement.

12. Respondent agrees to comply with the provisions of the Idaho Uniform Securities Act (USA) and rules promulgated under the USA in all future securities transactions. Respondent agrees that, should the Director find in the future that Respondent has committed any additional violations of Idaho securities laws, the Department may use all allegations contained in

this Agreement and Order, and any other allegations concerning violations of the securities laws by Respondent, in any subsequent proceeding.

13. If Respondent fails to timely meet all terms and conditions set forth in this Agreement and Order, this Agreement and Order shall be null and void, and the Department may seek all remedies allowed by law that arise from the violations referenced in paragraphs 1 through 9 above.

DATED this 9th day of August, 2005

FIRST SECURITY INVESTOR SERVICES, INC.
and VAN KASPER, LLC
William B. Hayes

DATED this 9th day of August, 2005

MARILYN T. CHASTAIN
Bureau Chief, Securities Bureau
STATE OF IDAHO, DEPARTMENT OF FINANCE

IT IS SO ORDERED this 27th day of September 2005.

GAVIN GEE, Director
STATE OF IDAHO, DEPARTMENT OF FINANCE