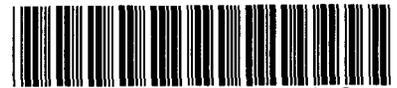


OPEN MEETING AGENDA ITEM



0000154618

From;

Mark Hughes
4549 N Camino Campero
Tucson, AZ 85750

RECEIVED

2014 JUL 10 P 2:11

ARIZONA CORP COMMISSION
DOCKET CONTROL

Date: July 6th 2014

ORIGINAL

Docket No: S-20864A-12-0439

To all Parties,

Enclosed is a response by Mark Hughes concerning facts and findings of Administrative Law Judge Marc E. Stern pertaining to;

Mark Dana Hughes and Dolly Hughes;
and Legacy Financial Advisors, LLC

I hope the format is acceptable, if not I beg the Commissions indulgence and acceptance of this submission.

I respectfully ask the commission to consider my response and will provide additional clarifying information at the open meeting on July 22, 23 2014, if requested.

Respectfully,

Mark Hughes

Arizona Corporation Commission
DOCKETED

JUL 10 2014

DOCKETED BY

1 Mark D Hughes,
2 4549 N Camino Campero,
3 Tucson, AZ 85750

4 **Before the Arizona Corporation Commission**

5 In the matter of:

Docket NO. S-20864A-12-0439

6 Mark Dana Hughes, CRD #1843511, and Dolly
7 A. Hughes,, and, Legacy Financial
8 Advisors, LLC, CRD # 114029, an Arizona
9 limited liability company.,

10 Respondents

11
12 **Findings of Fact;**

13 **Summary;**

14 It is undisputed that there was ongoing and open communication between Mark
15 Hughes, account custodians and the named clients during the scope of these
16 proceedings. Although no testimony was provided by Royce Jones, concerning his
17 account, the standard of communication was the same. Named clients received daily
18 trade confirmations, monthly statements and quarterly fees paid. At no time was
19 there deceptive or misleading information provided by Mark Hughes, LFA, or account
20 custodians to named clients. Mark Hughes' limited power to trade in and deduct
21 fees from client accounts was subject to termination at any time.

22 No complaint, nor testimony, was provided by Royce Jones concerning his
23 account (the subject of this proceeding). Robin Jones testimony did not include
24 conversations between Mark Hughes and Royce Jones.

25

1 Hearsay testimony was allowed concerning Chris Johns and Harry and Sanda
2 Clark even after they notified the Commission they no longer wanted to be part of
3 the process. They did not testify at the Hearing.

4
5 **Specific Point;**

6
7 #133 Ms Fritz testified that she did not know why the Hughes accounts gained
8 in value against the accounts of Mr. Hughes Clients. Mr. Hughes primary trading
9 account was a non-qualified account as opposed to qualified accounts for the named
10 clients. Mr. Hughes risk tolerance and investment strategy which were very
11 aggressive and employed the use of margin and pattern day trading were very
12 different than the named client accounts. Mr. Hughes personal account
13 profitability bares no relevance to the client's lack of profitability due to these
14 differences.

15
16 **Exceptions to Conclusions of Law;**

17
18 **Finding # 7 page 19**

19 **As stated in initial response to the Arizona Corporation Commission's**
20 **Petition, LFA and Mark Hughes employed Advanced Regulatory Compliance of Beverly**
21 **Hills, CA to complete all licensing filings to the Commission. To LFA and Mark**
22 **Hughes' belief, these filings were reviewed and certificates issued verifying**
23 **completeness and accuracy by the commission. Any omission was an oversight on the**
24 **part of LFA and Mark Hughes. There was no scheme employed, to engage in any**
25 **dishonest, unethical or fraudulent actions due to licensing.**

1 Finding # 9 page 19

2 At no time did LFA or Mark Hughes with intent (malicious or otherwise),
3 engage in any action that would harm any client including those named in this
4 petition. Restitution is not warranted pursuant to A.R.S. 44-3292.

5
6 Finding # 10 page 19

7 Mark Hughes and Dolly Hughes entered into a legal separation agreement in
8 2001 during divorce proceedings. All community property was separated at that
9 time. Dolly Hughes did not benefit from any community property during the time
10 frame of this petition nor has she benefited financially from the marriage since
11 2001. Furthermore, the Petitioners failed to demonstrate that she did. Dolly
12 Hughes is not liable for any restitution or penalties ordered pursuant to A.R.S.
13 44-3291.

14 Finally, Mark Hughes would stipulate to surrendering all licenses connected
15 to him and/or LFA as he is no longer in the business due to his failing health.
16 Along with significant medical expenses and no business income, Mark Hughes is in
17 dire financial condition. Dolly Hughes is also financially stressed as Mr. Hughes
18 is covered under her health plan and she has had to cover the majority of his
19 health costs and support for the past two years.

20
21
22 Dated this 6th day of July, 2014

23 
24 _____
25 Mark Hughes, respondent