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IN THE MATTER OF THE INVESTMENT
ADVISER REPRESENTATIVE REGISTRATION
OF CLIFTON WAYNE MYERS

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ORDER NO. IC23-SUS-01

TO: Clifton Wayne Myers, President (CRD No. 2440953)
208 W. Bagdad Avenue, Suite 5
Round Rock, TX 78664

DISCIPLINARY ORDER

Be it remembered that Clifton Wayne Myers ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order"), the Findings of Fact, and the Conclusions of Law contained herein for the sole purpose of resolving an investigation by the Texas State Securities Board. This Order is not intended to be used by any other person or for any other purpose.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's rights to appeal this Order; and (d) all other procedural rights granted to the Respondent by The Securities Act, Tex. Gov't Code §§ 4001.001-4008.105 ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902).
2. On October 21, 2004, Respondent registered as an investment adviser representative of Clifton Myers Financial Advisory ("CMFA") with the Securities Commissioner. This registration is currently effective.
3. Respondent is CMFA's President and sole investment adviser representative.

Respondent's Investment Philosophy

4. Respondent purports to follow an investment philosophy of that of a market timer and does not follow a buy and hold strategy.

5. According to Respondent, a market timing strategy eliminates the potential for large losses and achieves the objective of making sure clients have their money when they need it and is therefore ideal for elder individuals—individuals who are not long-term investors and who rely on their investment accounts for a portion of their income to meet living expenses (supplemented only by social security or a pension income).
6. Respondent's website for CMFA is entitled *The Safest Way to Invest in Retirement* and describes Respondent's and CMFA's business model as one which focuses on the needs of the over 60 age group—people who are retired or preparing to retire—and seeks to maximize retirement money.
7. The website specifically states:

My objective with this strategy is to make sure your money is there for you WHEN you need it. Not 10 years from now. But when you need it, whether that be 1 year, 2 years, 5 years, or 8 years. The objective is not to “outperform” the Buy and Hold strategy in 10 years. It is not to outperform the S&P 500 or any other index. The objective is to protect your money and yet give you an opportunity to achieve the higher rates of returns needed to offset taxes and inflation. Returns that history has proven can only be accomplished in stocks and bonds. My primary objective is to protect your money.

8. Respondent then goes on to state, among other statements, that to achieve this objective, Respondent mainly invests in exchange-traded-funds. And assures his clients that he would recommend getting out of any investment after it has dropped 10%.
9. The About Us section of Respondent's and CFMA's website concludes with the following statement:

We provide an ongoing relationship and never a one-shot sale of a product or service.

10. Additionally, CMFA's Form ADV Part 2, the primary disclosure document that investment advisers provide to their clients,¹ states that Respondent uses a variety of types of investments including exchange-traded funds, mutual funds, variable annuities, individual equities, corporate debt securities, municipal securities, certificates of deposits, and United States government securities.

¹ The Form ADV Part 2 contains information about the investment adviser relating to: advisory services, fees and expenses, conflicts of interest, disciplinary information, and the educational and business background of investment adviser representatives of the adviser. The disclosures on Part 2 are required to be made in an entirely narrative format and written in plain English.

11. Yet, since at least 2010, based on Respondent's interpretation and understanding of certain economic conditions, Respondent has determined that Respondent's clients should invest exclusively in silver.

Respondent Invests Clients 100% in PSLV

12. Notably, Respondent's and CMFA's website cautioned its clients against investing in commodities, by stating, that commodity investing is a "very specialized investment for advanced traders only."
13. According to Respondent, because Respondent has a market timer investment philosophy and not a buy and hold strategy, he analyzes economic conditions and identifies areas of the economy which he feels are undervalued and safe to invest in.
14. To this extent, Respondent claims that about twelve years ago, he identified problems in the U.S. economy.
15. Specifically, Respondent believes the U.S. has taken on too much debt and is on the verge of bankruptcy and its U.S. dollar's currency collapse or loss of its international dominant status.
16. But, according to Respondent, this debt is being whitewashed over time by overprinting of money by the Federal Reserve.
17. Because the U.S. dollar is backed only by the full faith and credit of the United States, which, again—according to Respondent—is on the verge of collapsing, gold and silver are the only two acceptable investments.
18. And between the two, silver was by far the better investment because of its dual role of being used as money but also as an industrial commodity.
19. Accordingly, Respondent, in the last 12 years, selected the Sprott Physical Silver Trust ("PSLV") as the sole investment for clients. PSLV is an exchange-traded fund that invests in the commodity markets.
20. Specifically, PSLV primarily (99.8%) invests in physical silver bullion in London Good Delivery bar form. It was formed in 2010 and is domiciled in Canada.
21. Since its inception, PSLV has experienced high volatility. Its volatility is even highlighted in the prospectus for PSLV, which states that the trading price may become more volatile relative to NAV because it is impacted by various factors which may be unrelated or disproportionate to the price of silver—including market trends and the sentiment of investors.

22. Additionally, the prospectus states that due to increases in trading volumes, PSLV could experience greater price volatility.

23. Since its inception in 2010, the value of PSLV has dropped from about \$14 to \$15 a unit to a current price of \$8.04² a unit.

Respondent's Breaches of Fiduciary Duties

24. As an investment adviser representative in Texas, Respondent is a fiduciary and owes certain duties³—such as the duties of care and loyalty, and the duty to provide full and fair disclosure—to his clients.

25. More specifically, the fiduciary duty includes the duty to charge a reasonable fee, the duty to recommend investments that are suitable for clients, and to put the client's interest ahead of his own personal interest.

26. Respondent's clients were primarily elderly, novice investors with a conservative risk tolerance and no previous investment experience.

27. And a majority of the clients were retirees with no income who transferred the money they accrued in their employee-sponsored investment accounts upon their retirement to Respondent.

28. Rather than conduct a client-by-client suitability analysis to determine which investments would be suitable for each client, Respondent deployed a one-size-fits-all approach to investing.

29. All of Respondent's clients were, in the last 12 years, 100% invested in PSLV. For many, this accounted for all of the assets they had for retirement.

30. Since exclusively investing all clients in PSLV in the last 12 years, Respondent has not made any other transactions in clients' accounts. And clients have endured significant losses—well beyond the 10% losses Respondent noted on CFMA's website would solicit a recommendation to get of the losing investment.

31. Despite the significant losses to client accounts and despite the lack of trading, Respondent continues to collect a 1.5% fee of all assets under management from clients.

² As of closing January 5, 2023.

³ Investment advisers and investment adviser representatives are considered fiduciaries. Meaning they are subject to heightened standards of loyalty and care which include, among other things, the duty to act in good faith and not allow personal interests to prevail; the duty to perform duties with the care that an ordinarily prudent person would use under similar circumstance; the duty to use reasonable care when advising your clients; the duty to avoid misleading clients; and the duty to provide full and fair disclosure to clients.

32. Further, Respondent never updated their Form ADV Part 2 or website to reflect that he was exclusively investing in PSLV, even while acquiring new clients for whom Respondent also invested their accounts 100% in PSLV.

CONCLUSIONS OF LAW

1. Respondent's concentration of client accounts in PSLV to levels that exceeded the risk tolerance clients were willing to endure constitutes an inequitable practice in rendering services as an investment adviser representative.
2. Respondent's assessment and collection of a 1.5% AUM fee at a time when Respondent was not conducting any trading in client accounts also constitutes an inequitable practice in rendering services as an investment adviser representative.
3. Pursuant to Section 4007.105(a)(3)(A) of the Texas Securities Act, the aforementioned inequitable practices in rendering services as an investment adviser representative constitute bases for the issuance of an order suspending Respondent.

ORDER

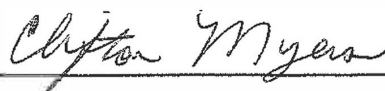
1. It is therefore ORDERED that Respondent's registration as an investment adviser representative with the Securities Commissioner is hereby SUSPENDED for a period of six (6) months.
2. It is further ORDERED the Respondent is hereby SUSPENDED from soliciting new accounts on behalf of Clifton Myers Financial Advisory for a period of one (1) year.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 20th
day of January, 2023.



TRAVIS J. ILES,
Securities Commissioner

Respondent:



Clifton Myers, Individually

Approved as to Form:



Clinton Edgar,
Deputy Securities Commissioner



Law Offices of Alan Abergel, P.C.
By: Alan Abergel
Counsel for Respondent



Cristi Ramón Ochoa,
Attorney
Inspections and Compliance Division