

ORIGINAL

NEW APPLICATION



0000182317

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED
AZ SECURITIES DIVISION
DOCKETED
2017 SEP 22 10 10

Arizona Corporation Commission

COMMISSIONERS

TOM FORESE - Chairman
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD DUNN

DOCKETED

SEP 22 2017

DOCKETED BY

In the matter of:)
EUGENE D. ANDERSON (CRD# 1127707))
and JEANNIE S. ANDERSON, husband and)
wife,)
Respondents.)

DOCKET NO. S-21023A-17-0285

NOTICE OF OPPORTUNITY FOR
HEARING REGARDING PROPOSED
ORDER OF REVOCATION, ORDER FOR
RESTITUTION, AND ORDER FOR
ADMINISTRATIVE PENALTIES

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that, pursuant to the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") and the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("IM Act"), grounds exist to revoke Eugene Anderson's registration with the Commission as a securities salesman, revoke his license with the Commission as an investment adviser representative, order restitution, and order administrative penalties.

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution, the Securities Act, and the IM Act.

II.

RESPONDENTS

2. At all times material to this matter, Eugene Anderson ("Respondent") has been a resident of Arizona.

1 3. Jeannie S. Anderson (“Respondent Spouse”) was at all relevant times the spouse of
2 Respondent. Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) and A.R.S. § 44-
3 3291(C) solely for purposes of determining the liability of the marital community.

4 4. At all times relevant, Respondent was acting for Respondent’s own benefit and for the
5 benefit or in furtherance of Respondent’s and Respondent Spouse’s marital community.

6 5. From March 1984 to September 2016, Respondent was registered with the Commission
7 as a salesman in association with various securities dealers. In connection therewith, Respondent was a
8 registered salesman in association with Thrivent Investment Management, Inc. (“TIMI”), a Financial
9 Industry Regulatory Authority (“FINRA”) member, from on or about July 2002 through June 2007
10 and with United Planners’ Financial Services of America, a Limited Partner (“United”), also a FINRA
11 member, from on or about March 2008 through May 2010 and again from March 2011 through
12 September 2016.

13 6. From February 2009 through May 2010 and again from April 2011 through September
14 2016, Respondent was licensed with the Commission as an investment adviser representative in
15 association with United, an SEC registered investment adviser.

16 7. During the relevant time periods Respondent was also registered as an associated person
17 with FINRA.

18 8. Respondent is not currently registered or licensed with the Commission or registered
19 with FINRA.

20 9. Notwithstanding that Respondent is not currently registered or licensed with the
21 Commission, under A.R.S. §§ 44-1963(D) and 44-3202(D), Respondent continues to be subject to the
22 Commission’s jurisdiction for two years after the termination of his registration or license for the
23 purpose of denying, suspending or revoking his registration or license in connection with conduct that
24 began before the termination of his registration or license.

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1 **III.**

2 **FACTS**

3 10. From April to June 2006, while employed in association with TIMI, Respondent
4 obtained loans from five customers and/or clients (“2006 Lenders”) totaling \$33,000.

5 11. The purpose of the loans from the 2006 Lenders was to finance the production of a
6 musical written by Respondent.

7 12. Of the 2006 Lenders:

8 a) One lent Respondent \$10,000 and has been repaid \$1,400; and

9 b) Another lent Respondent \$5,000 and has been repaid \$4,350.

10 13. Between January and June of 2016, while employed in association with United,
11 Respondent obtained a series of loans totaling \$3,850 from a customer and/or client. Respondent has
12 repaid only \$700.

13 14. On or about September 15, 2016, United discharged Respondent for obtaining a personal
14 loan from a client.

15 15. On February 10, 2017, Respondent entered into a FINRA Letter of Acceptance,
16 Waiver, and Consent (“AWC”) pursuant to which he consented to the entry of findings that in 2006,
17 while registered with Thrivent, Respondent solicited \$15,000 from two of his brokerage customers
18 for his personal use and did not repay the customers. The AWC also states that Respondent acted in
19 bad faith by accepting the funds without the means or intent to repay the customers, thereby
20 converting the funds.

21 16. Pursuant to the AWC, Respondent agreed to a bar from association with any FINRA
22 member in any capacity effective February 10, 2017.

23 **IV.**

24 **REMEDIES PURSUANT TO A.R.S. § 44-1962**

25 **(Revocation of Registration of Salesman; Restitution; Penalties)**

1 a) Engaged in dishonest or unethical practices in the securities industry within the
2 meaning of A.R.S. § 44-3201(A)(13) by borrowing money from a client within the meaning of A.A.C.
3 R14-6-203(6).

4 VI.

5 REQUESTED RELIEF

6 The Division requests that the Commission grant the following relief:

7 1. Order Respondent to take affirmative action to correct the conditions resulting from
8 Respondent's acts, practices, or transactions, including a requirement to make restitution pursuant to
9 A.R.S. §§ 44-1962 and 44-3201;

10 2. Order Respondent to pay the state of Arizona administrative penalties, pursuant to
11 A.R.S. §§ 44-1962 and 44-3201;

12 3. Order the revocation of Respondent's registration as a securities salesman pursuant to
13 A.R.S. § 44-1962;

14 4. Order the revocation of Respondent's license as an investment adviser representative
15 pursuant to A.R.S. § 44-3201;

16 5. Order that the marital community of Respondent and Respondent Spouse be subject to
17 any order of restitution, administrative penalties, or other appropriate affirmative action pursuant to
18 A.R.S. § 25-215; and

19 6. Order any other relief that the Commission deems appropriate.

20 VII.

21 HEARING OPPORTUNITY

22 Each Respondent including Respondent Spouse may request a hearing pursuant to A.R.S. §§ 44-
23 1972 and 44-3212, and A.A.C. R14-4-306. **If a Respondent or a Respondent Spouse requests a**
24 **hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in
25 writing and received by the Commission within 10 business days after service of this Notice of
26 Opportunity for Hearing. The requesting respondent must deliver or mail the request to Docket Control,

1 Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions
2 may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web
3 site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

4 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20
5 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or
6 ordered by the Commission. If a request for a hearing is not timely made, the Commission may, without
7 a hearing, enter an order granting the relief requested by the Division in this Notice of Opportunity for
8 Hearing.

9 Persons with a disability may request a reasonable accommodation such as a sign language
10 interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon,
11 ADA Coordinator, voice phone number (602) 542-3931, e-mail kcannon@azcc.gov. Requests
12 should be made as early as possible to allow time to arrange the accommodation. Additional
13 information about the administrative action procedure may be found at
14 <http://www.azcc.gov/divisions/securities/enforcement/AdministrativeProcedure.asp>.

15 VIII.

16 ANSWER REQUIREMENT

17 Pursuant to A.A.C. R14-4-305, if a Respondent or a Respondent Spouse requests a hearing,
18 the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing
19 to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona
20 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be
21 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site
22 at <http://www.azcc.gov/divisions/hearings/docket.asp>.


23 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant
24 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a
25 copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007,
26 addressed to Chris Nichols.

1 The Answer shall contain an admission or denial of each allegation in this Notice and the
2 original signature of the answering respondent or respondent's attorney. A statement of a lack of
3 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not
4 denied shall be considered admitted.

5 When the answering Respondent intends in good faith to deny only a part or a qualification
6 of an allegation, the respondent shall specify that part or qualification of the allegation and shall
7 admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

8 The officer presiding over the hearing may grant relief from the requirement to file an Answer
9 for good cause shown.

10 Dated this 22 day of September, 2017.

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14 Matthew J. Neubert
15 Director of Securities
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