

NEW APPLICATION  
ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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AZ CORP COMMISSION  
DOCKET CONTROL

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In the matter of:  
  
JON JOSEPH BAUMAN,  
CRD#5007841,  
  
Respondent.

) DOCKET NO. S-20895A-13-0377  
)  
) **NOTICE OF OPPORTUNITY FOR HEARING**  
) **REGARDING PROPOSED ORDER OF**  
) **DENIAL**  
)  
)  
)  
)

**NOTICE: RESPONDENT HAS 10 DAYS TO REQUEST A HEARING**  
**RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent JON JOSEPH BAUMAN has engaged in acts, practices, and transactions that constitute violations of the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("IM Act").

**I.**  
**JURISDICTION**

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

**II.**  
**RESPONDENT**

2. JON JOSEPH BAUMAN ("BAUMAN"), CRD#5007841, during all relevant times was a resident of Phoenix, Arizona. From 2005 through January 6, 2012, BAUMAN was a registered securities salesman.

3. BAUMAN may be referred to as "Respondent."



1           13.    On May 29, 2012, FINRA notified BAUMAN through written correspondence that  
2 he would be suspended from associating with any FINRA member on June 22, 2012, if the  
3 requested information was not provided.

4           14.    BAUMAN failed to respond.

5           15.    On June 22, 2012, BAUMAN was suspended by FINRA. FINRA mailed  
6 correspondence notifying BAUMAN that if he failed to request a termination of the suspension  
7 within three months he would be automatically barred on September 4, 2012.

8           16.    BAUMAN failed to request a termination of the suspension.

9           17.    On September 4, 2012, FINRA sent correspondence to BAUMAN via FedEx  
10 overnight Delivery and First Class Mail, notifying him that as of September 4, 2012, he was  
11 “barred from associating with any FINRA member in any capacity. . . .”

12           18.    BAUMAN received an envelope postmarked September 4, 2012. The envelope was  
13 not opened. As of June 11, 2013, the envelope remains unopened.

14           19.    On May 1, 2013, BAUMAN submitted an application for licensure as an investment  
15 advisor representative pursuant to A.R.S. §44-3156.

16           20.    On June 11, 2013, BAUMAN provided a sworn testimony to the Securities  
17 Division. BAUMAN was requested to provide a sworn statement or affidavit to the Securities  
18 Division related to a specific event that BAUMAN disclosed through his testimony.

19           21.    In a sworn statement, BAUMAN provided the information requested by the  
20 Securities Division. The information in the sworn statement was not an accurate portrayal of the  
21 facts. BAUMAN admitted the sworn statement was inaccurate.

22           22.    In addition, BAUMAN admitted that the testimony he provided to the Securities  
23 Division, on two occasions, was not accurate, did not provide the information requested and was  
24 misleading.

25    ...

26    ...

1 IV.

2 **REMEDIES PURSUANT TO A.R.S. § 44-3201**

3 **(Denial, Revocation, or Suspension of Investment Adviser or Investment Adviser Representative**  
4 **License; Restitution, Penalties, or other Affirmative Action)**

5 23. Respondent's conduct is grounds to deny Respondent's license application as an  
6 investment adviser representative with the Commission pursuant to A.R.S. § 44-3201. Specifically,  
7 denial of Respondent's license application would be in the public interest, and Respondent is:

8 a) Subject to an order of an SRO denying, revoking or suspending membership,  
9 licensure or registration as a broker or dealer in securities or as an investment  
10 adviser or investment adviser representative for at least six months. (A.R.S. §  
11 44-3201(A)(10).

12 b) BAUMAN provided an application for licensure or a supplement to an  
13 application that is incomplete, inaccurate or misleading. (A.R.S. § 44-  
14 3201(A)(1).

15 V.

16 **REQUESTED RELIEF**

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

- 18 1. Order the denial of Respondent's license application as an investment adviser  
19 representative pursuant to A.R.S. § 44-3201; and  
20 2. Order any other relief that the Commission deems appropriate.

21 VI.

22 **HEARING OPPORTUNITY**

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

1 request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona  
2 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the  
3 Commission's Internet web 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  
5 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the  
6 parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission  
7 may, without a hearing, enter an order granting the relief requested by the Division in this Notice of  
8 Opportunity for 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 Shaylin A.  
11 Bernal, ADA Coordinator, voice phone number 602/542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).  
12 Requests should be made as early as possible to allow time to arrange the accommodation.  
13 Additional information about the administrative action procedure may be found at  
14 <http://www.azcc.gov/divisions/securities/enforcement/AdministrativeProcedure.asp>

15 **VII.**

16 **ANSWER REQUIREMENT**

17 Pursuant to A.A.C. R14-4-305, if Respondent requests a hearing, the requesting respondent  
18 must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control,  
19 Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30  
20 calendar days after the date of service of this Notice. Filing instructions may be obtained from  
21 Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at  
22 <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, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007,  
26 addressed to Wendy Coy.

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

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

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

Dated this 5 day of November, 2013.

  
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Matthew J. Neuberg  
Director of Securities