

ORIGINAL

OPEN MEETING ITEM

1/14-15/14



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COMMISSIONERS
BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 388-1335
E-MAIL: securitiesdiv@azcc.gov

JODI JERICH
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Bob Stump, Chairman
Gary Pierce
Brenda Burns
Bob Burns
Susan Bitter Smith

FROM: Matthew J. Neubert *MJN*
Director of Securities

DATE: December 19, 2013

RE: Proposed Order of Denial regarding Jon Joseph Bauman, CRD# 5007841 S-20895A-13-0377

CC: Jodi Jerich, Executive Director

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AZ CORP COM
DOCKET COM
RECEIVED

Attached is a Proposed Order of Denial regarding Jon Joseph Bauman ("Order").

On May 1, 2013, Mr. Bauman submitted an application for licensure as an investment advisor representative pursuant to A.R.S. § 44-3156. As part of the process of reviewing Mr. Bauman's application it was determined that Mr. Bauman had been "barred from associating with any FINRA member in any capacity" for failing to provide information requested by FINRA. The Securities Division required testimony and a subsequent affidavit from Mr. Bauman. Mr. Bauman provided inaccurate sworn testimony to the Securities Division.

The Order requires that Mr. Bauman's application for licensure as an investment advisor representative be denied.

The Division believes that the Order is appropriate to protect the public welfare.

Originator: Wendy Coy

Arizona Corporation Commission

DOCKETED

DEC 30 2013

DOCKETED BY *[Signature]*

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 BOB STUMP, Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

7 In the matter of)
8 JON JOSEPH BAUMAN,) DOCKET NO. S-20895A-13-0377
9 CRD#5007841,)
10 Respondents.) DECISION NO. _____
11) **ORDER OF DENIAL**

11 On November 5, 2013, the Securities Division (“Securities Division”) of the Arizona
12 Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing Regarding
13 Proposed Order of Denial (the “Notice”) against JON JOSEPH BAUMAN (“BAUMAN”).

14 BAUMAN was personally served on November 6, 2013. BAUMAN did not file a request
15 for a hearing or an answer to the Notice within the respective filing deadlines and has not filed a
16 request or answer as of the date of this filing.

17 **I.**

18 **FINDINGS OF FACT**

19 1. JON JOSEPH BAUMAN (“BAUMAN”), CRD#5007841, during all relevant times
20 was a resident of Phoenix, Arizona. From 2005 through January 6, 2012, BAUMAN was a
21 registered securities salesman.

22 2. BAUMAN may be referred to as “Respondent.”

23 3. Between July of 2005 and January 2012, BAUMAN was a registered securities
24 salesman with a number of different firms. BAUMAN was most recently with Chase Investment
25 Services (“Chase”).
26

1 4. BAUMAN admitted that as a registered securities salesman he was a member of
2 Financial Industry Regulatory Authority (“FINRA”), a self-regulatory organization (“SRO”) for the
3 financial industry. BAUMAN acknowledged that he must comply with the rules and regulations
4 associated with maintaining his registration status.

5 5. On or about January 6, 2012, BAUMAN was terminated from his employment with
6 his securities dealer for code of conduct and document integrity violations.

7 6. In response, on January 24, 2012, FINRA sent a certified letter to BAUMAN
8 requesting specific information related to his dismissal from Chase.

9 7. BAUMAN failed respond.

10 8. BAUMAN testified that he received a certified letter from FINRA postmarked
11 January 24, 2012. BAUMAN did not open the envelope and placed it in a file. As of June 11,
12 2013, the envelope remained unopened.

13 9. On February 9, 2012, FINRA sent another certified letter to BAUMAN requesting
14 information. At this time, BAUMAN was notified in this correspondence that failure to comply
15 may subject him to disciplinary action.

16 10. BAUMAN failed to respond.

17 11. BAUMAN testified that he received a certified letter from FINRA postmarked
18 February 9, 2012. BAUMAN did not open the envelope and placed it in a file. As of June 11,
19 2013, the envelope remained unopened.

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

23 13. BAUMAN failed to respond.

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

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS FURTHER ORDERED, pursuant to A.R.S. §44-3201, that Respondent's investment adviser representative license is denied.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, _____.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Shaylin A. Bernal, ADA Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

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SERVICE LIST FOR: JON JOSEPH BAUMAN

Jon J. Bauman
7300 N. Dreamy Draw Drive, Unit 110
Phoenix, AZ 85020

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BEFORE THE ARIZONA CORPORATION COMMISSION

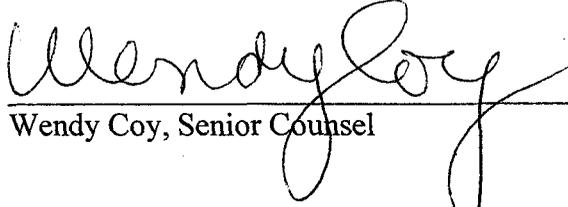
COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
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In the matter of:)
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JON JOSEPH BAUMAN,)
CRD#5007841,)
Respondent.)

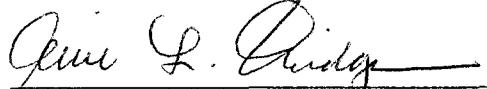
DOCKET NO. S-20895A-13-0377
**NOTICE OF FILING OF PROPOSED
OPEN MEETING AGENDA ITEM**

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order Of Denial was filed with the Arizona Corporation Commission's Docket Control.

Dated: 12/30/13 By: 
Wendy Coy, Senior Counsel

I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

Jon J. Bauman
7300 N. Dreamy Draw Drive, Unit 110
Phoenix, AZ 85020

Dated: 12/30/13 By: 
Emie R. Bridges, Executive Assistant