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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE - Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

Arizona Corporation Commission

DOCKETED

MAR 29 2018

DOCKETED BY *[Signature]*

In the matter of

EUGENE D. ANDERSON (CRD#
1127707) and JEANNIE S. ANDERSON,
husband and wife,

Respondents.

DOCKET NO. S-21023A-17-0285

DECISION NO. 76620

ORDER OF REVOCATION, ORDER FOR
RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES, AND
CONSENT TO SAME
BY: EUGENE D. ANDERSON AND JEANNIE
S. ANDERSON

Respondents Eugene D. Anderson ("Respondent") and Jeannie S. Anderson ("Respondent Spouse") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") and Articles 7 and 8 of the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("IM Act") with respect to this Order of Revocation, Order for Restitution, Order for Administrative Penalties, and Consent to Same ("Order"). Respondent and Respondent Spouse admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. At all times material to this matter, Respondent has been a resident of Arizona.
2. Respondent Spouse was at all relevant times the spouse of Respondent. Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) and A.R.S. § 44-3291(C) solely for purposes

1 of determining the liability of the marital community.

2 3. At all times relevant, Respondent was acting for Respondent's own benefit and for the
3 benefit or in furtherance of Respondent's and Respondent Spouse's marital community.

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

11 5. From February 2009 through May 2010 and again from April 2011 through September
12 2016, Respondent was licensed with the Commission as an investment adviser representative in
13 association with United, an SEC registered investment adviser.

14 6. During the relevant time periods Respondent was also registered as an associated
15 person with FINRA.

16 7. Respondent is not currently registered or licensed with the Commission or registered
17 with FINRA.

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

23 9. From April to June 2006, while employed in association with TIMI, Respondent
24 obtained loans from five customers and/or clients ("2006 Lenders") totaling \$33,000.

25 10. The purpose of the loans from the 2006 Lenders was to finance the production of a
26 musical written by Respondent.

11. Of the 2006 Lenders:

- a) One lent Respondent \$10,000 and has been repaid \$1,400;
- b) Another lent Respondent \$5,000 and has been repaid \$4,350;
- c) The remaining three, who lent a total of \$18,000, were fully repaid.

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

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

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

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

II.

CONCLUSIONS OF LAW

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

17. Respondent's conduct is grounds to revoke Respondent's registration as a securities salesman with the Commission pursuant to A.R.S. § 44-1962(A). Specifically, Respondent:

- a) Is subject to an order of an SRO revoking membership or registration as a broker in securities for at least six months within the meaning of A.R.S. § 1962(A)(8); and
- b) Engaged in dishonest or unethical practices in the securities industry within

1 the meaning of A.R.S. § 1962(A)(10) by borrowing money from a customer within the meaning of
2 A.A.C. R14-4-130(A)(15).

3 18. Respondent's conduct is grounds to assess restitution and administrative penalties
4 pursuant to A.R.S. § 44-1962(B). Specifically, Respondent:

5 a) Engaged in dishonest or unethical practices in the securities industry within
6 the meaning of A.R.S. § 1962(A)(10) by borrowing money from a customer within the meaning of
7 A.A.C. R14-4-130(A)(15).

8 19. Respondent's conduct is grounds to revoke Respondent's license as an investment
9 adviser representative with the Commission pursuant to A.R.S. § 44-3201(A). Specifically,
10 revocation of Respondent's license would be in the public interest, and Respondent:

11 a) Is subject to an order of an SRO revoking membership or registration as a
12 broker in securities for at least six months within the meaning of A.R.S. § 44-3201(A)(10); and

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

16 20. Respondent's conduct is grounds to assess restitution and administrative penalties
17 pursuant to A.R.S. § 44-3201(B). Specifically, Respondent:

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

21 21. Respondent acted for the benefit of Respondent's and Respondent Spouse's marital
22 community and, pursuant to A.R.S. §§ 25-214 and 25-215, this order of restitution is a debt of the
23 community.

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3 **III.**4 **ORDER**

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

9 IT IS ORDERED that Respondent and Respondent Spouse comply with the attached
10 Consent to Entry of Order.

11 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-1962 and A.R.S. § 44-3201, that
12 Respondent, individually, and the marital community of Respondent and Respondent Spouse,
13 jointly and severally, shall, under Docket No. S-21023A-17-0285, pay restitution to the
14 Commission in the principal amount of \$12,400 as a result of the conduct set forth in the Findings
15 of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be
16 made to the "State of Arizona" to be placed in an interest-bearing account controlled by the
17 Commission.

18 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will
19 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or
20 (ii) at a rate per annum that is equal to one per cent plus the prime rate as published by the board of
21 governors of the federal reserve system in statistical release H. 15 or any publication that may
22 supersede it on the date that the judgment is entered.

23 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
24 records of the Commission. Any restitution funds that the Commission cannot disburse because an
25 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
26 investor because the investor is deceased and the Commission cannot reasonably identify and
locate the deceased investor's spouse or natural children surviving at the time of the distribution,
shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the

1 Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse
2 shall be transferred to the general fund of the state of Arizona.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-1962 and A.R.S. § 44-3201, that
4 Respondent, individually, and the marital community of Respondent and Respondent Spouse,
5 jointly and severally, shall, under Docket No. S-21023A-17-0285, pay an administrative penalty in
6 the amount of \$1,000 as a result of the conduct set forth in the Findings of Fact and Conclusions of
7 Law. Payment is due in full on the date of this Order. Payment shall be made to the "State of
8 Arizona." Any amount outstanding shall accrue interest as allowed by law.

9 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
10 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
11 shall be applied to the penalty obligation.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-1962, that Respondent's securities
13 salesman registration is revoked.

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

16 For purposes of this Order, a bankruptcy filing by Respondent or Respondent Spouse shall
17 be an act of default. If Respondent and Respondent Spouse does not comply with this Order, any
18 outstanding balance may be deemed in default and shall be immediately due and payable.

19 IT IS FURTHER ORDERED, that if Respondent and Respondent Spouse fail to comply
20 with this order, the Commission may bring further legal proceedings against Respondent and
21 Respondent Spouse, including application to the superior court for an order of contempt.

22 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
23 Order shall be deemed binding against any Respondent under this Docket Number who has not
24 consented to the entry of this Order.

25 IT IS FURTHER ORDERED that this Order shall become effective immediately.
26

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

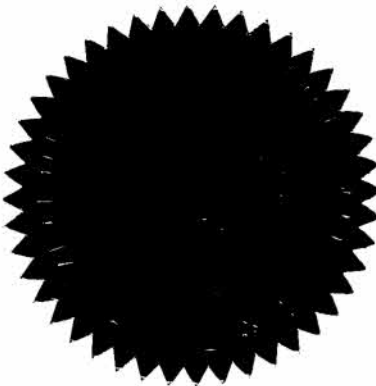

CHAIRMAN FORESE


COMMISSIONER DUNN


COMMISSIONER TOBIN


COMMISSIONER OLSON


COMMISSIONER BURNS



IN WITNESS WHEREOF, I, TED VOGT, 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 29th day of MARCH, 2018.


TED VOGT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator, voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.

(CAN)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondent and Respondent Spouse admit the jurisdiction of the Commission over
3 the subject matter of this proceeding. Respondent and Respondent Spouse acknowledge that they
4 have been fully advised of their right to a hearing to present evidence and call witnesses and
5 Respondent and Respondent Spouse knowingly and voluntarily waive any and all rights to a
6 hearing before the Commission and all other rights otherwise available under Article 11 of the
7 Securities Act, Article 7 of the Investment Management Act, and Title 14 of the Arizona
8 Administrative Code. Respondent and Respondent Spouse acknowledge that this Order of
9 Revocation, Order for Restitution, Order for Administrative Penalties, and Consent to Same
10 ("Order") constitutes a valid final order of the Commission.

11 2. Respondent and Respondent Spouse knowingly and voluntarily waive any right
12 under Article 12 of the Securities Act or Article 8 of the Investment Management Act to judicial
13 review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this
14 Order.

15 3. Respondent and Respondent Spouse acknowledge and agree that this Order is
16 entered into freely and voluntarily and that no promise was made or coercion used to induce such
17 entry.

18 4. Respondent and Respondent Spouse understand and acknowledge that they have a
19 right to seek counsel regarding this Order, and that they have had the opportunity to seek counsel
20 prior to signing this Order. Respondent and Respondent Spouse acknowledge and agree that,
21 despite the foregoing, they freely and voluntarily waive any and all right to consult or obtain
22 counsel prior to signing this Order.

23 5. Respondent and Respondent Spouse admit the Findings of Fact and Conclusions of
24 Law contained in this Order. Respondent and Respondent Spouse agree that they shall not contest
25 the validity of the Findings of Fact and Conclusions of Law contained in this Order in any present
26 or future proceeding in which the Commission is a party.

1 6. Respondent and Respondent Spouse further agree that they shall not deny or contest
2 the Findings of Fact and Conclusions of Law contained in this Order in any present or future: (a)
3 bankruptcy proceeding, or (b) non-criminal proceeding in which the Commission is a party
4 (collectively, "proceeding(s)"). They further agree that in any such proceedings, the Findings of
5 Fact and Conclusions of Law contained in this Order may be taken as true and correct and that this
6 Order shall collaterally estop them from re-litigating with the Commission or any other state
7 agency, in any forum, the accuracy of the Findings of Fact and Conclusions of Law contained in
8 this Order. In the event Respondent or Respondent Spouse pursues bankruptcy protection in the
9 future, they further agree that in such bankruptcy proceeding, pursuant to 11 U.S.C. § 523(a)(19),
10 the following circumstances exist:

11 A. The obligations incurred as a result of this Order are a result of the conduct set forth
12 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona
13 state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

14 B. This Order constitutes a judgment, order, consent order, or decree entered in a state
15 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by
16 Respondent and Respondent Spouse pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court order
17 for damages, fine, penalty, citation, restitution payment, disgorgement payment, attorney fee, cost
18 or other payment owed by Respondent and Respondent Spouse pursuant to 11 U.S.C. §
19 523(a)(19)(B)(iii).

20 7. By consenting to the entry of this Order, Respondent and Respondent Spouse agree
21 not to take any action or to make, or permit to be made, any public statement denying, directly or
22 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
23 this Order is without factual basis.

24 8. While this Order settles this administrative matter between Respondent and the
25 Commission, Respondent and Respondent Spouse understand that this Order does not preclude the
26

1 Commission from instituting other administrative or civil proceedings based on violations that are
2 not addressed by this Order.

3 9. Respondent and Respondent Spouse understand that this Order does not preclude the
4 Commission from referring this matter to any governmental agency for administrative, civil, or
5 criminal proceedings that may be related to the matters addressed by this Order.

6 10. Respondent and Respondent Spouse understand that this Order does not preclude
7 any other agency or officer of the state of Arizona or its subdivisions from instituting
8 administrative, civil, or criminal proceedings that may be related to matters addressed by this
9 Order.

10 11. Respondent agrees that he will not apply to the state of Arizona for registration as a
11 securities dealer or salesman or for licensure as an investment adviser or investment adviser
12 representative at any time in the future.

13 12. Respondent agrees that he will not exercise any control over any entity that offers or
14 sells securities or provides investment advisory services within or from Arizona until such time as
15 all restitution and penalties under this Order are paid in full.

16 13. Respondent and Respondent Spouse acknowledge that any restitution or penalties
17 imposed by this Order are obligations of the Respondent as well as the marital community.

18 14. Respondent and Respondent Spouse consent to the entry of this Order and agree to
19 be fully bound by its terms and conditions.

20 15. Respondent and Respondent Spouse acknowledge and understand that if they fail to
21 comply with the provisions of the order and this consent, the Commission may bring further legal
22 proceedings against them, including application to the superior court for an order of contempt.

23 16. Respondent and Respondent Spouse understand that default shall render them liable
24 to the Commission for its costs of collection, including reasonable attorneys' fees and interest at the
25 maximum legal rate.
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17. Respondent and Respondent Spouse agree and understand that if they fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. Respondent and Respondent Spouse agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by the Commission.

Eugene D. Anderson

Eugene D. Anderson

Jeannie S. Anderson

Jeannie S. Anderson

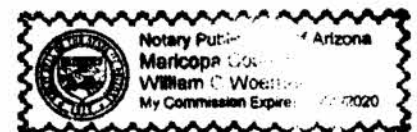
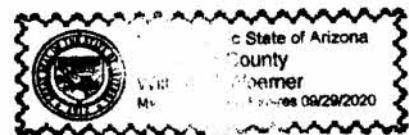
STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 7th day of FEBRUARY, 2018.

William C. Woerner
NOTARY PUBLIC

My commission expires:

7/29/2020



1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 TOM FORESE - Chairman
4 BOB BURNS
5 ANDY TOBIN
6 BOYD DUNN
7 JUSTIN OLSON

8 In the matter of

9 EUGENE D. ANDERSON (CRD#
10 1127707) and JEANNIE S. ANDERSON,
11 husband and wife,

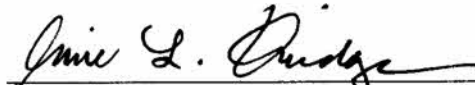
12 Respondents.

) DOCKET NO. S-21023A-17-0285

) **CERTIFICATION OF SERVICE OF
) PROPOSED OPEN MEETING AGENDA
) ITEM**

13 On this 26th day of February, 2018, the foregoing document was filed with Docket Control
14 as a Securities Division Memorandum & Proposed Order, and copies of the foregoing were mailed
15 on behalf of the Securities Division to the following who have not consented to email service. On
16 this date or as soon as possible thereafter, the Commission's eDocket program will automatically
17 email a link to the foregoing to the following who have consented to email service.

18 Eugene D. Anderson
19 Jeannie S. Anderson
20 524 E. 26th Ave.
21 Apache Junction Arizona 85119
22 Respondents

23 By: 
24 Emie R. Bridges, Executive Assistant