

Dennis Thompson Sr

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REGISTRATION DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20050013986-04**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Dennis Ray Thompson Sr., Respondent
Registered Representative
CRD No. 2785279

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Dennis Ray Thompson Sr. ("Thompson Sr." or "Respondent"), submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Thompson Sr. was first registered in the securities industry in 1996 as a Series 6 limited representative. He initially registered with Wellstone Securities, Inc. ("Wellstone") in December 2002, as an Investment Company and Variable Contracts Product Representative and Principal (Series 6 and 26). In June 2003, Thompson Sr. passed the Series 7 examination, and became registered as a General Securities Representative. Although his registration with Wellstone was termed on December 11, 2005, he again became registered with Wellstone on January 4, 2006. His registration with Wellstone continued until December 31, 2007, when the firm ceased operations. He has not been registered with a FINRA member since that time. Thompson Sr. however, remains subject to FINRA's jurisdiction.

FACTS AND VIOLATIVE CONDUCT

1. Between approximately April 2003 and August 2005, Thompson Sr. offered and sold investments in an unregistered hedge fund called Aurora Investment Fund LLC ("Aurora") and in its general partner, CET, using representations and sales materials that contained materially misleading statements and omissions of fact. Aurora was engaging in a speculative trading strategy involving futures contracts and information supplied by the hedge fund manager, and used recklessly by Thompson Sr. to solicit investors to purchase Aurora and CET, contained materially false and misleading statements and omissions concerning, among other facts, (a) a pending CFTC securities fraud action against the hedge fund manager; (b) the fund's theoretical and unproven performance figures; (c) the speculative nature of Aurora's trading strategy; and (d) the significant risks associated with an investment in Aurora and CET. In total, Thompson Sr. raised approximately \$5.1 million from 28 investors in Aurora and CET between April 2003 and August 2005.
 2. Thompson Sr. solicited investors to purchase Aurora and CET without conducting a reasonable investigation to determine whether Aurora and CET were suitable investments and without regard to whether certain investors were capable of evaluating and bearing the risks associated with such investments.
 3. The conduct described in paragraphs one and two constitutes violations of NASD Rules 2110, 2120, 2310 and IM-2310-2.
 4. Thompson Sr. also failed to disclose in writing to Wellstone that he had offered and sold Aurora and CET to non-Wellstone customers, and that he had received compensation from Aurora and CET for those sales. Thompson Sr. also failed to disclose to Wellstone in writing that he received override commissions from Aurora and CET for sales made by other Wellstone salesmen. The conduct described in this paragraph constitutes violations of NASD Rules 2110 and 3040.
- B. Respondent also consents to the imposition of the following sanction:

Respondent is barred from association with any FINRA member in all capacities.

Respondent understands that if barred or suspended from associating with any FINRA member, Respondent becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, Respondent may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rules 8310 and 8311.)

The sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

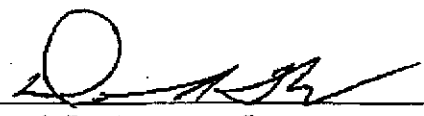
Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;

- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against him; and
- C. If accepted:
1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce him to submit it.

12-16-2009
Date


Dennis Ray Thompson Sr.
Respondent

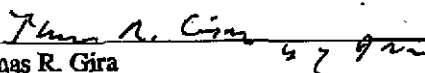
Reviewed by:

Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

12/27/2009
Date

Signed on behalf of the
Director of ODA, by delegated authority


Thomas R. Gira
Executive Vice President
Department of Market Regulation