

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 2007007256801

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REGISTRATION & DISCLOSURE

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

RE: Bruce N. Orr, Respondent
CRD No. 1708096

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Respondent Bruce N. Orr submits 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 Respondent 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

On May 5, 2000, Respondent first became registered with FINRA (formerly known as NASD) as a General Securities Representative ("GSR"), and on June 2, 2000, as a General Securities Principal ("GSP") through an association with a member firm. Thereafter, Respondent was registered as a GSR and GSP through an association with a different member firm. Most recently, Respondent was registered as a GSR and GSP through an association with member firm G.C. Andersen Partners Capital, LLC (BD No. 44631) ("GC Andersen") from December 2004, through June 2007. Respondent is not currently registered with FINRA or associated with any FINRA member firm.

Respondent does not have any disciplinary history with FINRA or any other self-regulatory organization, the SEC, or any state securities regulator.

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OVERVIEW

In connection with Respondent's employment at GC Andersen, Respondent participated in six private placements during the period from June 2005 through November 2006. For these private placements, Respondent failed to meet the FINRA requirements relating to the creation and maintenance of escrow accounts and books and records, thereby causing GC Andersen to violate SEC Rules 15c2-4, 17a-3, and NASD Conduct Rules 3110 and 2110. Respondent thereby violated NASD Conduct Rules 3110 and 2110.

FACTS AND VIOLATIVE CONDUCT

During the period from June 2005 through November 2006, while branch manager of GC Andersen's office of supervisory jurisdiction located in Ponte Vedra, Florida, Respondent participated in at least six private placements which were contingent upon receiving a minimum and/or a maximum of investor funds. Specifically: (a) In June 2005, Respondent participated in a private placement offering of stock of Montecito Provence Limited Partnership, a Florida limited partnership. The private placement was contingent upon receiving subscription agreements and investor funds for a minimum of \$10,600,000, with a maximum of \$11,000,000; (b) In June 2005, Respondent participated in a private placement offering of stock of Allegiance Tuscany, LLLP, a Florida limited liability limited partnership. The private placement was contingent upon receiving subscription agreements and investor funds for a minimum of \$4,800,000, with a maximum of \$5,800,000; (c) In September through October 2005, Respondent participated in a private placement offering of stock of Palencia Commons Limited Partnership, a Florida limited partnership. The private placement was contingent upon receiving subscription agreements and investor funds for a minimum of \$2,000,000, with a maximum of \$3,300,000; (d) In January through March 2006, Respondent participated in a private placement offering of stock of Sweetgrass Real Estate Limited Partnership, a Florida limited partnership. The private placement was contingent upon receiving subscription agreements and investor funds for a minimum of \$3,660,000, with a maximum of \$5,000,000; (e) In April 2006, Respondent participated in a private placement offering of stock of Riverside Square LLC, a Florida limited liability company. The private placement was contingent upon receiving subscription agreements and investor funds for a minimum of \$2,500,000, with a maximum of \$3,500,000; and (f) In November 2006, Respondent participated in a private placement offering of stock of Montecito Medical Investment Company, LLC, a Delaware limited liability company. The private placement was contingent upon receiving subscription agreements and investor funds for a minimum of \$15,000,000, with a maximum of \$35,000,000. During the offering periods of the respective private placements, Respondent failed to transmit investor funds to a bank which had agreed in

writing to hold all such funds in escrow for the investors until the offering contingency was met. Instead, Respondent held investor funds in an account over which Respondent had control as escrow agent. By reason of the foregoing, Respondent caused GC Andersen to violate SEC Rule 15c2-4 and NASD Conduct Rule 2110 and Respondent thereby violated NASD Conduct Rule 2110.

In addition, in connection with the above-referenced private placements, Respondent, on behalf of GC Andersen, failed to maintain a Cash/Checks Received and Forwarded Blotter or an equivalent record to reflect the receipt and/or forwarding of funds as required by SEC Rule 17a-3 and NASD Conduct Rule 3110. By reason of the foregoing, Respondent caused GC Andersen to violate SEC Rule 17a-3 and NASD Conduct Rules 3110 and 2110 and Respondent thereby violated NASD Conduct Rules 3110 and 2110.

B. Respondent also consents to the imposition of the following sanctions:

- A fine of \$15,000; and
- A censure.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed. Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Formal Complaint issued specifying the allegations against Respondent;
- B. To be notified of the Formal 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 prejudice 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 NASD Rule 9143 or the separation of functions prohibitions of NASD 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 NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; 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 Respondent;
 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 NASD Rule 8310 and IM-

8310-3; 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 Respondent 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 Respondent to submit it.

11/22/08
Date

Bruce N. Orr
Bruce N. Orr

Reviewed by

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Counsel for Respondent
Reznicek Fraser Hastings
240 Ponte Vedra Park Drive, Suite 150
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(p) 904-567-1062; (f) 904-567-1065

Accepted by FINRA:

December 19, 2008
Date

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

Christina J. Kang
Christina J. Kang
Principal Regional Counsel
FINRA Department of Enforcement
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New York, New York 10006
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