

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008014322401**

RECEIVED
2009 SEP 16 P 6:
REGISTRATION & DISCLOSURE

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

RE: Jeffrey Robert Unruh, Respondent
Investment Company & Variable Products Representative and
General Securities Representative
(CRD No. 2758509)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeffrey Robert Unruh ("Unruh") 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. I hereby accept and consent, 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

Unruh first entered the securities industry in June 1996 when he joined a FINRA (f/k/a NASD) member firm. In August 1996, Unruh obtained his Investment Company & Variable Products (Series 6) license, but he voluntarily left the industry in November 1996.

In May 2000, Unruh re-entered the securities industry with another member firm and obtained his Investment Company & Variable Products license again. He left that firm in November 2003 and was registered with three other member firms until March 2008. During that period, in May 2004, Unruh obtained his General Securities Representative (Series 7) license. In March 2008, Unruh joined CCO Investment Services Corp. (the "Firm") where he worked until he was discharged in July 2008.

Unruh is not currently associated with any FINRA member firm but is within FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Unruh has no prior disciplinary history.

OVERVIEW

After recommending that a customer with a conservative risk tolerance and capital preservation as her primary investment objective purchase shares of a bond fund that could fluctuate in value, Unruh was instructed by his firm to obtain a letter from the customer acknowledging that she understood that the bond fund could fluctuate in value and did not guarantee capital preservation. Without the customer's authorization, Unruh drafted the acknowledgement letter, forged the customer's signature on it, and submitted the letter to his firm. Later, when responding to a request for information from FINRA staff, Unruh claimed that the customer suggested that he draft the letter and submit it on her behalf. In truth, the customer was never aware of the need for an acknowledgement letter, nor did she ask Unruh to create the letter or sign her name on it.

FACTS AND VIOLATIVE CONDUCT

Forgery

On or about July 11, 2008, customer P.K., a widow in her mid 60's, met with Unruh in a branch office of the Firm's affiliated bank where he served as a registered representative. P.K. went to the bank branch office to roll over a certificate of deposit that had come to maturity. While there, she was introduced to Unruh. After discussing investment options that might yield higher returns than a certificate of deposit, Unruh recommended that P.K. purchase shares of a bond fund. P.K. agreed to follow Unruh's recommendation.

Prior to purchasing shares of the bond fund, P.K. opened a brokerage account with the Firm. She completed the requisite new account documents (*i.e.*, a new account form and a client profile form), which requested, among other things, that P.K. specify her investment risk tolerance and rank her investment objectives among four options (*i.e.*, capital preservation, income, capital appreciation, and speculation). On the client profile form, P.K. indicated that she had a "conservative" risk tolerance, and she selected "capital preservation" as her primary investment objective.

After Unruh submitted P.K.'s new account documents and her order to purchase shares of the bond fund, the Firm flagged the order because it did not match the primary investment objective reflected on P.K.'s client profile form, "capital preservation." As a result, on or about July 16, 2008, the Firm instructed Unruh to obtain a signed letter from P.K. acknowledging that she understood that the bond fund could fluctuate in value and did not guarantee capital preservation.

Instead of obtaining the requested acknowledgement letter from P.K., on or about July 17, 2008, Unruh drafted an acknowledgement letter, signed P.K.'s name on it, and submitted the letter to the Firm. On July 18, 2008, the Firm noticed that the signature on the acknowledgement letter did not match P.K.'s signatures on her new account documents. On July 22, 2008, after speaking with P.K., Unruh's supervisor met with Unruh and confronted him regarding the signed acknowledgement letter. During that meeting, Unruh admitted to forging P.K.'s signature on the acknowledgement letter. Unruh was immediately suspended, and two days later he was terminated.

By forging P.K.'s signature on the acknowledgement letter, Unruh violated NASD Conduct Rule 2110.

False Statement to FINRA Staff

After receiving notice from the Firm that Unruh had admitted to signing P.K.'s signature on a customer acknowledgment letter, FINRA sent a written information request to Unruh, dated July 28, 2008, requesting that Unruh explain the circumstances surrounding his admission to the forgery. In his August 8, 2008 response letter, Unruh stated that the customer, P.K., "suggested" that he draft the acknowledgement letter for her and forward it "to facilitate process of making the trade." Ultimately, during an on-the-record interview with FINRA staff, Unruh admitted that his initial explanation in his August 8, 2008 response letter was not true. Unruh explained that P.K. never suggested that he draft the acknowledgement letter, and in fact, he never spoke to her about the letter at any time.

By making a false statement in response to a FINRA request for information, Unruh violated NASD Conduct Rule 2110.

B. I also consent to the imposition of the following sanctions:

1. an 18-month suspension from association in any capacity with any FINRA member firm; and
2. a fine of \$10,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 18-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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 sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand

that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me [the Firm] to submit it.

7/16/09
Date

Jeff Robert Unruh
Jeffrey Robert Unruh
Respondent

Accepted by FINRA:

9/16/09
Date

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

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