

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009018497601**

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

RE: Ronald George Spomer II ("Spomer"), Respondent
General Securities Representative
CRD No. 4210676

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Ronald George Spomer II ("Spomer") was born in [REDACTED]. Spomer, a Series 6, 63, and 65 registered person, entered the securities industry in February 1999 with Mutual of Omaha Investor Services, Inc. where he remained until February 2007. In March 2007, Spomer joined Park Avenue Services LLC ("Park Avenue"), where he remained until December 2008. On January 6, 2009, Spomer became employed with Forester's Equity Services, Inc. ("FESI" or the "Firm"). On June 17, 2009, FINRA received from FESI a Uniform Termination Notice for Securities Industry Registration ("Form U5"), reporting Spomer's resignation on May 21, 2009. Spomer has not been affiliated with any FINRA regulated entity since his May 2009 resignation from the Firm, but he remains subject to FINRA's jurisdiction pursuant to FINRA By-law Article V, Section 4. Spomer has no FINRA disciplinary history.

000077357 2010

OVERVIEW

During the period from August to December 2008 (the "Relevant Period"), while serving as a financial advisor with Park Avenue, Spomer engaged in an unapproved outside business activity, in that, without disclosure of his activities to Park Avenue, he distributed unregistered securities, through a non-FINRA regulated entity, to 12 people who were not customers of Park Avenue. Spomer received in excess of \$100,000 in compensation for this outside business activity. In addition, while employed at FESI, Spomer sent to 12 customers certain unapproved correspondence that contained improper promissory language. Spomer also failed to respond to FINRA's written requests that he submit a written statement regarding the aforementioned allegations.

FACTS AND VIOLATIVE CONDUCT

SPOMER'S OUTSIDE BUSINESS ACTIVITIES

NASD Rule 3030 prohibits any person associated with a member firm from being employed by, or accepting compensation from, any other person as a result of any business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to the member. NASD Rule 2110 requires that members and associated persons "observe high standards of commercial honor and just and equitable principles of trade." A violation of NASD Rule 3030 is also a violation of NASD Rule 2110.¹

During the Relevant Period, Spomer engaged in an outside business activity without the prior written permission of Park Avenue in violation of NASD Rules 3030 and 2110. Spomer distributed unregistered securities, through a non-FINRA regulated entity, to 12 people who were not customers of Park Avenue. Spomer received in excess of \$100,000 in compensation for this outside business activity from the non-FINRA regulated entity. Although Spomer disclosed to Park Avenue that he was engaged in the sale of traditional insurance products through the non-member entity, he did not, however, disclose to Park Avenue his sales of securities through and compensation from the non-member entity, as required by NASD Rule 3030.

By virtue of his aforementioned conduct, Spomer violated NASD Rules 2110 and 3030

¹ FINRA Rule 2010 superseded NASD Rule 2110 on December 15, 2008, however, the text of the Rule remained the same.

SPOMER'S UNAPPROVED CORRESPONDENCE
CONTAINED IMPROPER PROMISSORY LANGUAGE

On February 28, 2009, one month after Spomer became employed with FESI, he distributed, without the Firm's knowledge or authorization, correspondence to approximately 12 persons who were not customers of FESI. During his employment with Park Avenue, Spomer had sold unregistered securities to these 12 persons. Spomer issued the letter to the purchasers of the unregistered securities because the state of Texas ceased the business operations of the issuer of these unregistered securities and placed the issuer into receivership. The aforementioned letter used FESI's standard disclosure language at the bottom of the letter, therefore, the letter gave the erroneous impression that FESI, with Spomer as an agent of the Firm, had issued the correspondence.

Spomer's February 28th letter to the customers contained the following statements in violation of NASD Rule 2210 and FINRA Rule 2110²:

- "My goal is to...honor the original agreement you made with [the issuer]."

This statement fails to provide adequate information for evaluating the facts in regard to an investment in the actual security/product Spomer is offering, in violation of NASD Rule 2210(d)(1)(A).

- "I strongly believe you should continue to take advantage of all the benefits this investment opportunity has to offer."

This assertion fails to provide the basis for or describe the "benefit" of the program in violation of NASD Rule 2210(d)(1)(A).

- "This is a proven program."

This is promissory of future investment success based on past performance in violation of NASD Rule 2210(d)(1)(B).

Spomer's failure to submit the letter for prior principal approval by the member firm violated NASD Rule 2210(b)(1). In addition, Spomer failed to provide a sound basis for evaluating the security by promoting the "similar program," and used improper

² NASD Rule 2210 sets forth the standards for members' communications with the retail public. NASD Rule 2210(d)(1)(A) and (B) require that all communications with the public be "fair and balanced" and provide a "sound basis for evaluating the facts" regarding a security and prohibits the use of any false, exaggerated, unwarranted or misleading statements in such communications. Specifically NASD Rule 2210(d)(1)(B) states that no member may make any false, exaggerated, unwarranted or misleading statement or claim in any communication with the public. No member may publish, circulate or distribute any public communication that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.

promissory language to describe the product, in violation of NASD Rules 2210(d)(1)(A) and 2210(d)(1)(B).

By virtue of his aforementioned conduct, Spomer violated NASD Rule 2210 and FINRA Rule 2010.

SPOMER'S FAILURE TO COMPLY WITH FINRA RULE 8210

FINRA Rule 8210(a)(1) requires "a member, person associated with a member, or person subject to the Association's jurisdiction to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by Association staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding."

FINRA 2010 requires that members and associated persons "observe high standards of commercial honor and just and equitable principles of trade." Failure to comply with requests for information and documentation is a violation of FINRA Rules 2010 and 8210(a)(1).

By letters dated April 29, 2010 and May 20, 2010, which Spomer received, FINRA requested that Spomer submit a detailed written statement concerning his outside business activities and unapproved correspondence. Both letters advised Spomer that any failure to comply with the request could result in sanctions, including a permanent bar from the securities industry. To date, Spomer has not complied with Staff's prior written requests for information.

By virtue of Spomer's failure to comply with FINRA's written requests for information, Spomer violated FINRA Rules 8210 and 2010.

SPOMER'S CRIMINAL CONVICTION AND SURRENDER OF HIS SECURITIES LICENSE

In September 2010, Spomer pleaded no contest in a Wyoming District Court to nine felony counts of unlawfully selling unregistered securities and one felony count of unlawfully transacting business in Wyoming as an agent without proper registration to offer or sell securities, each in violation of Wyoming Statutes. Spomer received a concurrent prison sentence of not less than 14 months and not more than 28 months, however, his sentence was suspended and he was ultimately required to spend three years under supervised probation, and ordered to make customer restitution of approximately \$367,000, and to surrender his securities industry licenses.

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

- A bar from association with any FINRA regulated entity in any capacity.

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 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

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.

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 to submit it.

12-17-10

Date

Rll-l

Ronald George Spomer II

Accepted by FINRA:

12-22-10

Date

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

Myles Orosco/m

Myles Orosco
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