

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034017101**

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

RE: Jeffrey E. Ludwick, Respondent
General Securities Representative
[CRD No. 2267071]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeffrey E. Ludwick, 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

Ludwick entered the securities industry on September 21, 1992, as a General Securities Representative of a former FINRA member firm. On June 22, 2007, Ludwick became associated with Wells Fargo Advisors, LLC and registered with FINRA as a General Securities Representative. Ludwick's employment with Wells Fargo ended on February 1, 2010. Subsequently, on February 25, 2010, Ludwick became associated with another FINRA member firm as a General Securities Representative. Ludwick's employment with this firm ended on November 7, 2012. Although Ludwick is not currently registered with a FINRA member firm, he remains subject to the jurisdiction of FINRA, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons. Ludwick has not previously been subject of any formal disciplinary action.

FACTS AND VIOLATIVE CONDUCT

During 2008, while associated with Wells Fargo, Ludwick accepted a total of \$25,000, in two separate loans, from his customer DE. The initial loan of \$20,000 was made on May 29, 2008 and had a corresponding promissory note that provided for repayment on or about December 31, 2008. The note also provided for four equal monthly payments of \$5,000 beginning on or about January 1, 2009 until paid in full. The second loan of \$5,000, which occurred at some point during 2008, had no corresponding promissory note. To date, Ludwick has failed to repay any of the loan amounts to DE.

At the time of the loans from DE, Ludwick was aware that the Firm's policies and procedures which prohibited borrowing money from customers. Further, on February 28, 2008 and March 26, 2009, Ludwick misrepresented that he was in compliance with the Firm's policies and procedures.

As a result of the foregoing misconduct, Ludwick violated NASD Conduct Rules 2370 and 2110 (effective prior to December 15, 2008) and FINRA Rule 2010 (effective after December 15, 2008).

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

A three-month suspension in all capacities from any FINRA member firm.¹

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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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.

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;

¹ On September 12, 2012, Respondent Jeffrey E. Ludwick was granted a discharge in bankruptcy under Section 727 of Title 11, United States Code. Accordingly, no monetary sanction is being assessed in this matter.

- 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;

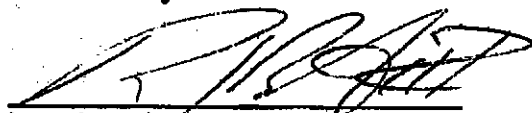
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any 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: (i) testimonial obligations; or (ii) 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 to submit it.

5-8-2013
Date (mm/dd/yyyy)


Jeffrey B. Ludwick, Respondent

Reviewed by:


Royal B. Lea, III
Counsel for Respondent
Bingham & Lea, P.C.
319 Maverick Street
San Antonio, Texas 78212
Phone Number: 210/224-2894

Accepted by FINRA:

May 9, 2013

Date

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



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