

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036647401**

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

RE: Dennis P. Van Patter, Respondent
General Securities Representative
CRD No. 1364583

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Dennis P. Van Patter, 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

Dennis P. Van Patter entered the securities industry in July 1985, as an Investment Company and Variable Contracts Products Representative of a member of FINRA. Van Patter, during all periods mentioned herein, was associated with VSR Financial Services, Inc. ("VSR") and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. Van Patter remains associated with VSR and has no prior disciplinary history.

FACTS AND VIOLATIVE CONDUCT

NASD Conduct Rule 2310(a) provides that "[i]n recommending to a customer the purchase, sale or exchange of any security, a member shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs."¹

¹ This rule was replaced by FINRA Rule 2111, which became effective on July 9, 2012.

Between approximately May 5, 2008 and July 1, 2010, Van Patter, while associated with VSR, recommended that customer DT, a retired commercial pilot, invest \$1,614,000 in alternative investments, such as REITS, note programs, oil and gas drilling partnerships, and other private placements, all of which are securities. The investments recommended by Van Patter were all described in the offering documents as being "speculative," "highly speculative," "highly risky," and/or involving a "high degree of risk."

On his VSR new account form, DT ranked his top four Primary Investment Objectives and Risk Tolerances as: (1) Moderate Income, (2) Moderate Growth and Income, (3) Moderate Growth, and (4) Conservative Growth. Furthermore, DT expressed to Van Patter that he was uncomfortable with the volatility of the stock market and preferred to invest in an alternative to the stock market. Rather than recommend investments consistent with DT's limited risk tolerance, Van Patter recommended concentrated positions in high risk alternative investments. By July 1, 2010, directly as a result of Van Patter's recommendations, DT had approximately 52% of his liquid net worth concentrated in high risk alternative investments.

Van Patter's recommendation that DT invest in the aforementioned alternative investments was not suitable for DT in light of DT's ranked Primary Investment Objectives and Risk Tolerances of (1) Moderate Income, (2) Moderate Growth and Income, (3) Moderate Growth, and (4) Conservative Growth, the concentrated nature of the investments, and DT's financial circumstances.

As a result of the foregoing conduct, Van Patter violated NASD Conduct Rule 2310, NASD Conduct Rule 2110 (effective prior to December 15, 2008), and FINRA Rule 2010 (effective after December 14, 2008).

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

- A \$10,000 fine and a forty-five calendar day suspension from association with any FINRA member in all capacities.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction 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 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 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 Chief Legal Officer, 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

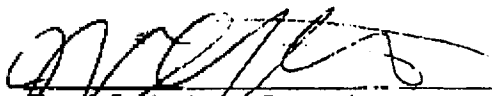
C. If accepted:

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 accordance with FINRA Rule 8313;
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.

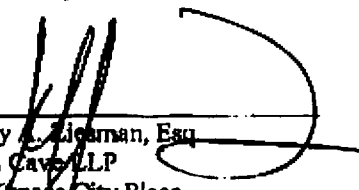
D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

11/5/2015
Date (mm/dd/yyyy)


Dennis P. Van Patter, Respondent

Reviewed by:



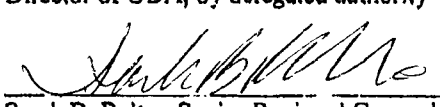
Jeffrey A. Zickman, Esq.
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Accepted by FINRA:

November 20, 2015

Date

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



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