

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013039299601**

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

**RE: Ronald Terry Dunn, Respondent
Investment Company and Variable Contracts Products Representative
CRD No. 1374701**

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

Respondent Ronald Terry Dunn ("Dunn") entered the securities industry in October 1973 with Pruco Securities, LLC ("Pruco" or "firm"). He became registered with FINRA as an Investment Company and Variable Contracts Products Representative (Series 6) in November 1985. Dunn was terminated from Pruco on November 21, 2013 and has not been registered with a FINRA member firm since that date. However, FINRA retains jurisdiction of Dunn pursuant to Article V, Section 4(a) of the FINRA By-laws.

OVERVIEW

In January 2011, Dunn borrowed \$40,000 from a customer. Dunn failed to notify or obtain written approval of the loan in advance from his member firm, Pruco. By engaging in this conduct, Dunn violated FINRA Rules 3240 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3240 prohibits registered persons from borrowing money from a customer unless the employing firm had written procedures allowing such activity and the borrowing arrangement met one of five conditions: (1) the customer is a member of the associated person's immediate family; (2) the customer is engaged in the business of lending money; (3) the customer is an associated person or registered representative of the same firm; (4) the lending arrangement is based on a personal relationship outside the broker/customer relationship, and the loan would not have been made but for that relationship; and (5) the loan is based on a business relationship outside the broker/customer relationship. During the relevant time period, Pruco's written supervisory procedures permitted registered persons to borrow funds from customers only under the limited circumstances set forth in Rule 3240, and only after obtaining written pre-approval from the firm.

On or about January 7, 2011, Dunn arranged to borrow \$40,000 from DB, his customer at Pruco. DB obtained the funds for the loan by borrowing \$40,000 against the accumulated cash value of a variable life insurance policy she had purchased through Pruco. DB and Dunn did not document a specific repayment schedule or duration for the loan. However, Dunn agreed to pay 7% annual interest on the loan, which he memorialized in a letter to DB. Dunn did not notify or obtain written approval from Pruco before obtaining the loan from DB. Between August 2011 and October 2013, Dunn made payments to DB totaling \$6,900. DB and Dunn have agreed to a plan for the full repayment of the remaining balance.

The loan with DB did not fall within the scope of any of the conditions identified in Rule 3240. Further, Dunn never sought or received written pre-approval from Pruco for the loan arrangement. As a result of the foregoing conduct, Dunn violated FINRA Rule 3240. By virtue of that violation, Dunn also violated FINRA Rule 2010.

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

(a) A suspension from association with any FINRA member in all capacities for two (2) months; and

(b) A fine of \$5,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the two 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 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 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.

Attn -
Sen Fitzpatrick

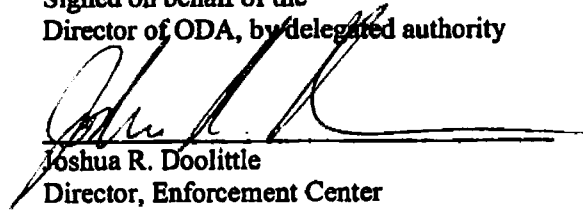
4-21-2014
Date (mm/dd/yyyy)

Ronald Terry Dunn
Ronald Terry Dunn
Respondent

Accepted by FINRA:

May 1, 2014
Date

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



Joshua R. Doolittle
Director, Enforcement Center
FINRA Department of Enforcement
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