

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040816301**

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

RE: Dalas L. Gundersen, Respondent
Former Registered Representative
CRD No. 3107187

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

Dalas L. Gundersen first became registered with a FINRA member firm in 1998. He was registered with Edward Jones from November 1999 until the firm terminated his registration in December 2014. Gundersen has not been associated with a member firm since his termination from Edward Jones. However, FINRA retains jurisdiction over Gundersen pursuant to Article V, Section 4 of the FINRA By-Laws.

OVERVIEW

In April and May 2013, while associated with Edward Jones, Gundersen recommended that a married couple invest approximately \$1.26 million, or 80% of their net worth, in an intermediate municipal bond mutual fund. The recommendation was unsuitable because the investment represented an excessive concentration of the customers' net worth. By making an unsuitable recommendation, Gundersen violated FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

In April 2013, Gundersen's customers at Edward Jones, RP and SP, met with Gundersen to discuss higher yielding investment options for funds they held at their bank.¹ The couple initially inquired about investing the funds in oil and gas master limited partnerships. As an alternative to the oil and gas investments, Gundersen recommended they purchase Class A shares of two mutual funds, the Invesco Floating Rate Fund ("AFRAX") and the Invesco Intermediate Term Municipal Income Fund ("VKLMX" or "the fund").

On April 25, 2013, RP and SP acted on Gundersen's recommendation and invested \$501,000 in AFRAX in their joint account. Shortly thereafter, between April 29, 2013 and May 1, 2013, the couple made purchases of VKLMX totaling \$756,641 upon Gundersen's recommendation. Finally, on May 3, 2013, again acting upon Gundersen's recommendation, RP and SP exchanged the funds previously invested in AFRAX into VKLMX. In total, RP and SP invested nearly \$1.26 million in VKLMX, which represented approximately 80% of their estimated net worth. Their purchases of the fund generated approximately \$7,556 in gross commissions, of which Gundersen received \$2,837 in net commissions.

In late July 2013, RP and SP complained to Edward Jones about a decline in the value of their VKLMX investment. On December 6, 2013, RP and SP sold the fund, realizing a loss of \$45,775 and incurring approximately \$11,900 in deferred sales charges. The firm subsequently settled their complaint for approximately \$46,000.

FINRA Rule 2111 provides that when recommending the purchase, sale, or exchange of any security to a customer, a registered representative "must have a reasonable basis to believe that a recommended transaction... is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile." Gundersen's recommendation that RP and SP invest nearly \$1.26 million in VKLMX was not suitable in light of their financial condition and the excessively concentrated nature of the investment. Accordingly, Gundersen violated FINRA Rule 2111. By virtue of that violation Gundersen 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 any capacity for ten business days;

¹ RP and SP, a married couple, own and operate a farm. Their new account documents, dated December 28, 2012, list their annual income as \$100,000, their estimated net worth as \$1,477,000, their investment time horizon as six to ten years, their risk tolerance as moderate, and their investment objective as growth and income.

(b) A fine in the amount of \$5,000; and

(c) Disgorgement of \$2,837 in commissions received for the unsuitable sales of VKLMX, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from April 29, 2013, until the date this AWC is accepted by the NAC.

The fine shall be due and payable either immediately upon reassociation with a member firm following the ten business day 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 imposed in this matter.

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.

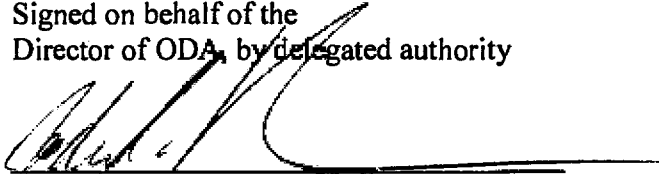
2/25/2015
Date (mm/dd/yyyy)

Dallas L. Gundersen
Dallas L. Gundersen
Respondent

Accepted by FINRA:

02/27/2015
Date (mm/dd/yyyy)

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

A handwritten signature in black ink, appearing to read 'Joshua R. Doolittle', written over a horizontal line.

Joshua R. Doolittle
Director, Enforcement Center
FINRA Department of Enforcement
15200 Omega Dr., 3rd Floor
Rockville, MD 20850
(301) 258-8523