

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016049412601**

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

RE: Timothy Francis Dufresne, Respondent
Former Registered Representative
CRD No. 3237322

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

Timothy Francis Dufresne ("Dufresne") entered the securities industry in 1999 when he associated with a FINRA member firm. Dufresne obtained his Series 6 license in September 1999, his Series 63 license in January 2000, and his Series 26 license in January 2007. In October 2008, Dufresne became registered with SagePoint Financial, Inc. ("SagePoint" or the "Firm"). On March 31, 2016, SagePoint terminated Dufresne's registration.

Although Dufresne is no longer associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of the FINRA By-Laws.

OVERVIEW

Between October 2014 and February 2016 (the "Relevant Period"), while registered with SagePoint, Dufresne converted at least \$400,000 from at least three customers by requesting distributions from the customers' variable annuities

and depositing the funds into his business account without the customers' authorization, in violation of FINRA Rules 2150(a) and 2010.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Dufresne improperly obtained distributions of funds from at least three customers' variable annuities, deposited the funds in his business account, and used the funds for his own benefit without the customers' authorization. Specifically, Dufresne obtained, through distribution request forms, at least nine checks totaling more than \$400,000 from at least three customers' variable annuity accounts. Thereafter, he endorsed each check and deposited the funds into his business account.

FINRA Rule 2150(a) provides that "No member or person associated with a member shall make improper use of a customer's securities or funds."

Conversion, which is defined as the intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it, is a violation of FINRA Rule 2150(a). By converting customer funds, Dufresne violated FINRA Rules 2150(a) and 2010.

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

A bar in all capacities from associating with any FINRA member.

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. 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 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:

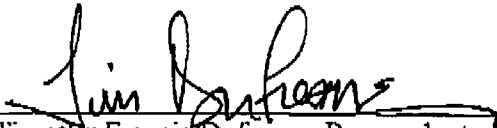
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

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.

4-6-2016
Date (mm/dd/yyyy)


Timothy Francis Dufresne, Respondent

Accepted by FINRA:

4/8/2016
Date

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


Erica L. Gerson
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