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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of)
12 THE COMMISSIONER OF CORPORATIONS)
13 Complainant,)
14 v.)
15 LONNIE L. DUSENBERRY)
16 Respondent.)
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CASE NO.

ACCUSATION RE INTENT TO ISSUE
ORDER BARRING LONNIE L.
DUSENBERRY FROM ANY POSITION
OF EMPLOYMENT, MANAGEMENT OR
CONTROL OF ANY BROKER DEALER
OR INVESTMENT ADVISER

1 Jan Lynn Owen, the Commissioner of Corporations (“Commissioner”) of the Department of
2 Corporations (“Department”) alleges and charges as follows:

3 **I. JURISDICTION AND VENUE**

4 1. The Commissioner brings this action pursuant to the provisions of California Corporations
5 Code sections 25212 and 25213 and the rules and regulations promulgated thereunder.

6 2. The Commissioner is authorized to administer and enforce the provisions of the
7 Corporate Securities Law of 1968, Corporations Code section 25000 et seq., and the regulations
8 thereunder at California Code of Regulations, title 10, section 260.000 et seq.

9 **II. STATEMENT OF FACTS**

10 3. This action is brought to permanently bar Respondent Lonnie L. Dusenberry
11 (“Dusenberry”), CRD#3084887, from any position of employment, management or control of any
12 broker-dealer or investment adviser pursuant to Corporations Code section 25213. At relevant times,
13 Dusenberry was a broker-dealer agent employed by Edward Jones, a broker-dealer registered in
14 California with a place of business in Manteca, California.

15 4. Dusenberry entered into an Acceptance, Waiver and Consent with the Financial Industry
16 Regulatory Authority (“FINRA”) whereby he consented to a permanent bar from the securities
17 industry. In that proceeding, Dusenberry consented to factual findings that he borrowed \$742,500
18 from various firm customers in violation of his firm’s procedures; that, in several instances, he used
19 the proceeds of one loan to repay an earlier loan from a different customer; that he failed to repay a
20 total of approximately \$500,000 to his customers; and that on several occasions, Dusenberry, without
21 consent, signed a customer’s name on letters of authorization to transfer money from one customer’s
22 accounts to another customer’s accounts.

23 **III. RESPONDENT LONNIE L. DUSENBERRY SHOULD BE BARRED FROM ANY**
24 **POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY**
25 **BROKER-DEALER OR INVESTMENT ADVISER**

26 5. Corporations Code section 25213 provides, in pertinent part:

27 The commissioner may, after appropriate notice and opportunity for
28 hearing, by order censure, or suspend for a period not exceeding 12
months, or deny or bar from any position of employment, management or

1 control of any broker-dealer or investment adviser. . . any officer, director,
2 partner, agent, employee of . . . a broker-dealer, or any other person if the
3 commissioner finds that the . . . denial or bar is in the public interest and
4 the person committed any act or omission enumerated in subdivision (a),
5 (e), (f) or (g) of Section 25212 . . . or is enjoined from any act, conduct or
6 practice specified in subdivision (c) of Section 25212 or is subject to any
7 order specified in subdivision (d) of section 25212.”

8 This Accusation will proceed under subsections (d) and (e) of section 25212, both of which
9 are included in section 25213 as grounds for barring an agent. Those subsections provide as follows:

10 The commissioner may, after appropriate notice and opportunity for
11 hearing, by order censure, deny a certificate to, suspend for a period not
12 exceeding 12 months or revoke the certificate of, any broker-dealer if the
13 commissioner finds that the censure, denial, suspension, or revocation is in
14 the public interest and that the broker-dealer, whether prior or subsequent
15 to becoming a broker-dealer, or any partner, officer, director, or branch
16 manager of the broker-dealer, whether prior or subsequent to becoming
17 associated with the broker-dealer, or any person directly or indirectly
18 controlling the broker dealer, whether prior or subsequent to becoming
19 such, or any agent employed by the broker-dealer while so employed has
20 done any of the following: . . .

21 (d) Is or has been subject to...(2) any order of any national securities
22 association or national securities exchange (registered under the Securities
23 Exchange Act of 1934) suspending or expelling that person from
24 membership in the association or exchange or from association with any
25 member thereof....

26 (e) Has willfully violated any provision of the Securities Act of 1933, the
27 Securities Exchange Act of 1934, the Investment Advisers Act of 1940,
28 the Commodity Exchange Act, or **Title 4 (commencing with Section
25000)**...or any rule or regulation under any of those statutes, or any order
of the commissioner which is or has been necessary for the protection of
any investor.” (Emphasis ours.)

6. As described in Paragraph 4, above, Respondent Dusenberry is subject to an order of a
national securities association (FINRA) suspending him or expelling him from membership, one of
the grounds set forth in subdivision (d) of section 25212, and is therefore subject to being barred by
the Commissioner under section 25213.

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7. Corporations Code section 25218 provides as follows:

No broker-dealer licensed under this chapter shall effect any transaction in, or induce or attempt to induce the purchase or sale of, any security in this state in contravention of such rules as the commissioner may prescribe designed to promote just and equitable principles of trade, to provide safeguards against unreasonable profits or unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market.

8. Title 10 CCR § 260.218 (a rule promulgated by the Commissioner under section 25218) provides as follows:

Each broker-dealer and each agent employed by such a broker-dealer shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of such person's business.

9. By engaging in the activity described in Paragraph 4, above, Dusenberry failed to observe high standards of commercial honor and just and equitable principles of trade in the conduct of his business. He thereby willfully committed violations of section 25218 and 10 CCR § 260.218. These are willful violations of Title 4 (the Corporate Securities Law under which agents are regulated), and constitute further grounds for a bar under section 25213.

PRAYER FOR RELIEF

WHEREFORE, based on the foregoing, the Commissioner of Corporations finds that it is in the public interest to bar LONNIE L. DUSENBERRY from any position of employment, management or control of any broker-dealer or investment adviser, pursuant to Corporations Code section 25213 for acts committed as specified in Corporations Code section 25212, subsections (d) and (e), as described above.

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WHEREFORE, the Commissioner prays for an order barring LONNIE L. DUSENBERRY from any position of employment, management or control of any broker-dealer or investment adviser.

Dated: June 18, 2013
San Francisco, California

JAN LYNN OWEN
Commissioner of Corporations

By: _____
DOUGLAS M. GOODING
Assistant Chief Counsel
Enforcement Division