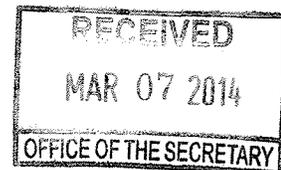


ORIGINAL

**ADMINISTRATIVE PROCEEDING
FILE NO. 3-15648**

**UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION**

**In the Matter of
RONALD GENE ANGLIN,
Respondent.**



**DIVISION OF ENFORCEMENT'S
MOTION FOR SUMMARY DISPOSITION AND BRIEF IN SUPPORT**

March 6, 2014

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I. MOTION FOR SUMMARY DISPOSITION

The Division of Enforcement (“Division”), by counsel, pursuant to Rules 154 and 250 of the Commission’s Rules of Practice, respectfully moves for an order of summary disposition against respondent Ronald Gene Anglin (“Anglin”) on the grounds that there is no genuine issue with regard to any material fact and that pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”), the Division is entitled, as a matter of law, to an order permanently barring Anglin from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in an offering of penny stock.

II. BRIEF IN SUPPORT

The present administrative proceeding follows on Anglin’s guilty plea to one count of mail fraud in violation of 18 U.S.C. § 1341 and the criminal judgment entered against him in *U.S. v. Ronald Gene Anglin*, 2:12-CR-00232-SJO (C.D. Cal. March 25, 2013), for which he currently is serving a sentence of 27 months in home detention. The egregious conduct underlying Anglin’s criminal violation – which involved him repeatedly stealing money from one of his brokerage customers, an elderly and vulnerable woman – warrants the imposition of permanent bars preventing Anglin’s re-entry into the securities industry.

A. Statement Of Facts

Anglin is currently 38 years old. (See Declaration of Marisa G. Westervelt in Support of Division’s Motion for Summary Disposition (“Westervelt Decl.”), Ex. 1.) Anglin began working in the securities industry in 1999 and has been employed at a number of firms including Citigroup Global Markets Inc., Citicorp Investment Services, American Express Financial Advisors Inc., IDS Life Insurance Company, and Edward Jones. (Westervelt Decl., Ex. 2; see

also Westervelt Decl., Ex. 3 at 1, 4; Ex. 4 at 1, 5.) Anglin has held Series 7, 63 and 66 licenses. (Westervelt Decl., Ex. 3 at 3; Ex. 4 at 4.)

Anglin was a registered representative and investment adviser representative for Merrill Lynch, Pierce, Fenner & Smith Inc. from approximately September 2008 to May 2011. (Westervelt Decl., Ex. 2; Ex. 3 at 1, 4; Ex. 4 at 1, 5.) At all times relevant to the present administrative proceeding, Merrill Lynch was (and still is) dually-registered with the Commission as a broker-dealer and as an investment adviser. (Westervelt Decl., Exs. 5, 6.)

On March 15, 2012, Anglin was indicted in the United States District Court for the Central District of California on nine counts of mail fraud, false statements to a bank, and aggravated identity theft. (Westervelt Decl., Ex. 7.) On October 4, 2012, Anglin pleaded guilty to one count of mail fraud in violation of 18 U.S.C. § 1341 in connection with one count of the fraudulent scheme described in the indictment. (Westervelt Decl., Exs. 8, 9.) The count of mail fraud to which Anglin pleaded guilty alleged, *inter alia*, that in or around 2010, Anglin executed a scheme whereby he forged letters of authorization purportedly from a customer to Merrill Lynch that requested the disbursement of the customer's funds from the customer's Merrill Lynch accounts to be mailed to addresses that Anglin specified in the forged letters of authorization. Pursuant to the forged letters of authorization, the checks that Anglin caused to be mailed from the customer's accounts at Merrill Lynch were made payable to people or entities that had no connection to the addresses to which he had the checks sent. When the checks arrived at those addresses, Anglin picked up the checks or had them brought either to him or to others acting under his instructions. Those checks from the customer's accounts at Merrill Lynch then would be deposited in bank accounts under Anglin's control or the control of someone in his wife's family for their use. (Westervelt Decl., Ex. 8 at 6-9.)

Anglin's primary victim was a woman in her late eighties at the time he stole money from her accounts. (Westervelt Decl., Ex. 7 at 2; Ex. 8 at 6-9; Ex. 10.) In her victim impact statement, she represented that the money stolen was a quarter of her life savings. (Westervelt Decl., Ex. 10)

On March 25, 2013, Anglin was sentenced to 27 months of custody in home detention. (Westervelt Decl., Exs. 11, 12.) Anglin also was ordered to pay restitution. (*Id.*)

B. Argument

1. Standards Applicable To The Division's Summary Disposition Motion

Rule 250(a) of the Commission's Rules of Practice permits a party to move "for summary disposition of any or all allegations of the order instituting proceedings" before hearing with leave of the hearing officer. 17 C.F.R. § 201.250(a). Rule 250(b) provides that a hearing officer may grant a motion for summary disposition if there is no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law. 17 C.F.R. § 201.250(b); *see also In the Matter of Kent D. Nelson*, Initial Decision Rel. No. 371, 2009 WL 454556, at *1 (February 24, 2009) (citing 17 C.F.R. § 201.250(b)). Moreover, it is well-established that:

By analogy to Rule 56 of the Federal Rules of Civil Procedure, a factual dispute between the parties will not defeat a motion for summary disposition unless it is both genuine and material. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). Once the moving party has carried its burden, 'its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.' *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). The opposing party must set forth specific facts showing a genuine issue for a hearing and may not rest upon the mere allegations or denials of its pleadings. At the summary disposition stage, the hearing officer's function is not to weigh the evidence and determine the truth of the matter, but rather to determine whether there is a genuine issue for resolution at a hearing. *See Anderson*, 477 U.S. at 249.

Nelson, 2009 WL 454556 at *2.

The present administrative proceeding was instituted under Section 15(b)(6) of the Exchange Act, 15 U.S.C. §78o, and Section 203(f) of the Advisers Act, 15 U.S.C. § 80b-3. Section 15(b)(6)(A) authorizes the Commission to bar a person who associated with a broker or dealer at the time of the alleged misconduct from being associated with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical ratings organization, or from participating in an offering of penny stock, if the Commission finds it is in the public interest to do so and the person has been convicted, within ten years of the commencement of proceedings, of any offense specified in Section 15(b)(4) of the Exchange Act, including any felony or misdemeanor involving the violation of 18 U.S.C. § 1341 (mail fraud). Similarly, Section 203(f) of the Advisers Act authorizes the Commission to bar a person associated with an investment adviser at the time of the alleged misconduct from being associated with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, if it is in the public interest and the person has been convicted, within ten years of the commencement of proceedings, of an offense specified in Section 203(e)(2), including any felony or misdemeanor involving the violation of 18 U.S.C. § 1341. In determining whether a bar under Section 15(b)(6) of the Exchange Act or Section 203(f) of the Advisers Act is in the public interest, the Commission considers:

- (1) the egregiousness of the respondent's actions;
- (2) whether the violations were isolated or recurrent;
- (3) the degree of scienter;
- (4) the sincerity of the respondent's assurances against future violations;
- (5) the respondent's recognition of the wrongful nature of his or her conduct; and
- (6) the likelihood that the respondent's occupation will present opportunities for future violations.

Nelson, 2009 WL 454556 at *4 (citing *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981)).

2. The Division Is Entitled To Summary Disposition Under Section 15(b)(6) Of The Exchange Act And Section 203(f) Of The Advisers Act

In the present administrative proceeding, the undisputed facts establish that Anglin was a registered representative and investment adviser representative for dually-registered broker-dealer and investment adviser Merrill Lynch at time that he engaged in his fraudulent scheme; that Anglin pleaded guilty to one count of mail fraud in violation of 18 U.S.C. § 1341 in connection with that scheme; and that on March 25, 2013, less than a year prior to the commencement of this proceeding, the District Court entered a corresponding judgment against Anglin. (Westervelt Decl., Exs. 2-9, 11, 12.) Thus, the Commission has authority pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act to sanction Anglin with permanent bars, provided that such bars are also in the public interest. *See, e.g., Nelson*, 2009 WL 454556 at **4-5 (permanent associational bars against former registered representative who pleaded guilty to one count of mail fraud were necessary and appropriate in the public interest).

Here, it is indisputable that permanent bars would serve the public interest. The conduct underlying Anglin's criminal violation was egregious – Anglin targeted a vulnerable, elderly victim and stole approximately one quarter of her life's savings – and recurrent, as Anglin stole money from his primary victim on multiple occasions as part of his fraudulent scheme. (Westervelt Decl., Ex. 8, at 8-9.) Anglin's criminal violation of mail fraud also involved a high degree of scienter, and Anglin acknowledged at his October 4, 2012 plea hearing that he had intent to defraud. (Westervelt Decl., Ex. 8, at 4; Ex. 9, at 3.) That Anglin is only 38 years old, and has spent a large portion of his working life in the securities industry (Westervelt Decl., Exs. 1-4), also weighs in favor of the requested sanctions. Absent permanent bars, Anglin is likely to try to re-enter the securities industry, where he would have additional opportunities to violate securities

laws and harm investors. Accordingly, the requested permanent bars are necessary and appropriate in the public interest. *Nelson*, 2009 WL 454556 at **4-5.

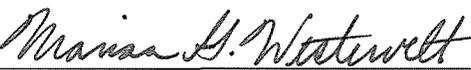
C. Conclusion

For the reasons set forth above, the Division respectfully requests that the Administrative Law Judge grant the Division's Motion for Summary Disposition and issue an order, pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, permanently barring Anglin from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in an offering of penny stock.

Respectfully submitted,

DIVISION OF ENFORCEMENT

Dated: March 6, 2014


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