

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



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AUSTIN, TEXAS 78711-3167

## Texas State Securities Board

JACK D. LADD  
MEMBER

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208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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BRYAN K. BROWN  
MEMBER

BETH ANN BLACKWOOD  
MEMBER

IN THE MATTER OF  
THE DEALER REGISTRATION OF  
PRUCO SECURITIES, LLC

§  
§  
§

Order No. IC04-CAF-12

TO: John Gordon, President  
Pruco Securities, LLC (CRD # 5685)  
751 Broad Street  
Newark, NJ 07102

### DISCIPLINARY ORDER AND UNDERTAKING

Be it remembered that Pruco Securities, LLC ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and Findings of Fact and Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and a hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2004) ("Administrative Procedure Act").
2. On or about July 25, 1983, Respondent registered with the Securities Commissioner as a securities dealer, which is currently effective.
3. Respondent is conducting securities sales-related activity at locations ("unregistered offices") not registered as branch offices with the Securities Commissioner.
4. Respondent is maintaining records related to Respondent's securities activity at the unregistered offices.
5. The term "branch office" is defined by Section 115.1(a)(2) of the Rules and Regulations of the Texas State Securities Board ("Board Rules") as "(e)ach office in Texas in which either records are maintained or control over and review of the activities of registered persons exists."

6. Pursuant to Section 115.1(b)(1) of the Board Rules, a dealer is required to register, with the Securities Commissioner, each branch office located in Texas.
7. Pursuant to Section 115.2(c) of the Board Rules, a dealer may not conduct sales related activity in any branch office location until the dealer receives notification from the Securities Commissioner that such location has been approved as a branch office.

#### UNDERTAKING

1. Respondent undertakes and agrees to register each branch office location in Texas with the Securities Commissioner within thirty (30) days of the date that the Securities Commissioner signs this Order.
2. Respondent further undertakes and agrees to register and attain approval of each new branch office location in Texas from the Securities Commissioner prior to engaging in any securities sales-related activity at that location.

#### CONCLUSIONS OF LAW

1. Each location in Texas where Respondent's securities sales-related activity records were maintained constitutes a "branch office" as that term is defined by Section 115.1(a)(2) of the Board Rules.
2. Respondent's failure to register each branch office constitutes a violation of Section 115.1(b)(1) of the Board Rules.
3. Respondent's securities sales-related activity at unregistered branch offices constitutes a violation of Section 115.2(c) of the Board Rules.
4. Pursuant to Sections 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding a dealer.
5. Pursuant to Section 23-1, the foregoing violations of the Board Rules constitute bases for the assessment of an administrative fine against a dealer.

#### ORDER

1. It is therefore ORDERED that Pruco Securities, LLC is hereby REPRIMANDED.
2. It is further ORDERED that Pruco Securities, LLC is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Ten Thousand Dollars (\$10,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Ten Thousand Dollars (\$10,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

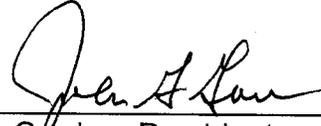
3. It is further ORDERED that Pruco Securities, LLC COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED by the Securities Commissioner this 13<sup>th</sup> day of July, 2004.

*Denise Voigt Crawford*  
DENISE VOIGT CRAWFORD  
Securities Commissioner

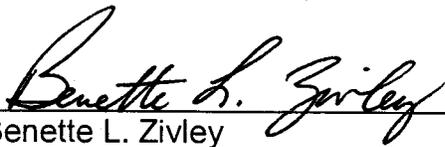
Respondent:

Pruco Securities, LLC



\_\_\_\_\_  
John Gordon, President

Approved as to Form:

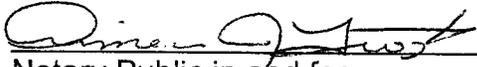


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Benette L. Zivley  
Director  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the 25<sup>th</sup> day of June, 2004, Pruco Securities, LLC ("Respondent"), by and through, John Gordon, its President, personally appeared before me, executed the foregoing Order and Undertaking, and acknowledges that:

1. John Gordon is duly authorized to enter into the foregoing Order and Undertaking on behalf of Respondent;
2. John Gordon has read the foregoing Order and Undertaking;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

  
 Notary Public in and for  
 the State of \_\_\_\_\_

[affix notary seal here]

My commission expires on: \_\_\_\_\_

**AIMEE J. TROST**  
**A NOTARY PUBLIC OF NEW JERSEY**  
**MY COMM. EXPIRES APRIL 25, 2009**