

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2015048137601**

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

RE: Dale Earl Krueger, Respondent  
Former Registered Representative  
CRD No. 1100066

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**

Respondent Dale Earl Krueger (“Krueger”) first entered the securities industry in November 1982 when he associated with a FINRA member firm. He obtained his Series 7 license in February 1983, his Series 63 license in March 1983 and his Series 65 license in December 1999. Between 1982 and 2011, Krueger was registered with a number of other FINRA member firms. On July 15, 2011, Krueger became registered with member firm Moloney Securities Co., Inc. (“Moloney” or the “Firm”). On December 8, 2015, Krueger’s registration with Moloney was terminated.

Krueger is not currently registered with any FINRA member firm, but FINRA retains jurisdiction over him pursuant to Article V, Section 4, of the FINRA by-Laws.

## OVERVIEW

Respondent accepted customer funds to purchase collectible medals but failed to properly segregate and account for the medals from his own holdings and also used a portion of the funds to make unauthorized loan and commission payments to third parties in violation of FINRA Rules 2150(a) and 2010. Respondent further failed to respond to a FINRA Rule 8210 request in violation of FINRA Rules 8210 and 2010.

## FACTS AND VIOLATIVE CONDUCT

### 1. Improper Use of Customer Funds

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. An associated person makes improper use of a customer's funds when he or she fails to apply the funds as intended by the customer. FINRA Rule 2010 requires an associated person to observe high standards of commercial honor and just and equitable principles of trade.

In December 2011, former registered representative RT solicited Firm customers KL and RL to invest \$25,000 in collectible medals sold by Krueger. The customers' investment in the medals was made through a business entity controlled by Krueger and the \$25,000 was deposited into a bank account owned or controlled by Krueger. Customers KL and RL intended that Krueger use the \$25,000 to purchase and store collectible medals for them. However, Krueger failed to provide customers KL and RL with any documentation of the sale, to physically separate the medals that had been purchased from his own holdings, or to adequately document the customers' holdings in his own records. In addition, Krueger transferred to RT and RT's relatives at least \$5,800 of the customers' funds as purported loans or commissions, without confirming directly with the customers that they had authorized any such loans or commissions. In fact, they had not.

By virtue of the foregoing, Respondent violated FINRA Rules 2150(a) and 2010.

### 2. Failure to Cooperate

FINRA Rule 8210(a)(1) requires "a member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically."

On August 14, 2017, FINRA requested, pursuant to FINRA Rule 8210, that Krueger provide certain documents and information to FINRA no later than August 28, 2017. On August 31, 2017, Krueger, through his counsel, informed FINRA that he would not provide certain of the requested documents.

By virtue of the foregoing, Respondent violated FINRA Rules 8210 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 prejudice 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

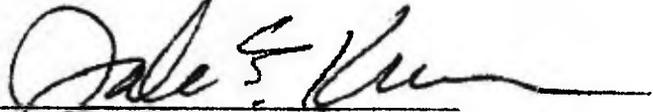
I understand that:

- 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.

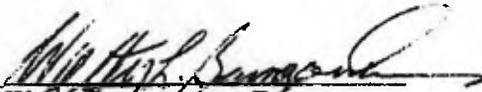
9/14/17

Date (mm/dd/yyyy)



Respondent Dale E. Krucger

Reviewed by:



Walter Baumgardner, Esq.  
Counsel for Respondent  
24001 Greater Mack  
St. Clair Shores, MI 48080  
Tel: 586-778-0900

Accepted by FINRA:

9/22/2017

Date

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



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