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March 23, 2017

**Via Electronic Mail**

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

**Re: In the Matter of the Continued Association of Alexander Bastron (CRD # 5132228) with Cambridge Investment Research, Inc. (CRD # 39543)**

Dear Mr. Fields:

Effective March 23, 2017, and pursuant to Rule 19h-1(a)(3)(iv)(A)&(B) of the Securities Exchange Act of 1934 (“SEA” or “Exchange Act”), the Financial Industry Regulatory Authority (“FINRA”) hereby gives notification to the United States Securities and Exchange Commission (“the SEC” or “the Commission”) of the continued association of Alexander R. Bastron (“Bastron”) as a General Securities Representative with Cambridge Investment Research, Inc. (“Cambridge” or “the Firm”). The Firm filed a Membership Continuance Application (“MC-400” or “Application”) with FINRA on May 25, 2016.<sup>1</sup>

**Bastron’s Disqualifying Event**

Bastron is subject to a statutory disqualification pursuant to Section 15(b)(4)(E) of the Exchange Act, incorporated by reference in Exchange Act Section 3(a)(39)(F) as a result of an SEC Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Exchange Act, Making Findings, and Imposing

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<sup>1</sup> See MC-400 and related attachments filed by Cambridge on May 25, 2016 (attached as Exhibit 1).

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Remedial Sanctions, dated April 5, 2016 (the “Order”).<sup>2</sup>

According to the Order, Bastron, while acting as a Regional Director at Cambridge Investment Research Advisors, Inc. (“CIRA”), failed reasonably to supervise a registered representative (“RS”) with respect to preventing and detecting RS’s violations of the federal securities laws from March 2010 to June 2010. RS violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, as well as Sections 206(1) and 206(2) of the Investment Advisors Act of 1940 (“Investment Advisors Act”), by fraudulently billing clients for financial planning services.<sup>3</sup> As a result of his failure to supervise RS, Bastron was suspended for a period of twelve months from associating with any broker, dealer, investment adviser, municipal securities dealer or transfer agent in any supervisory capacity, effective on Monday, April 18, 2016.<sup>4</sup> Bastron was also ordered to pay a civil monetary penalty in the amount of \$20,000 within 14 days of the entry of the Order.<sup>5</sup> Additionally, the Order includes one undertaking which requires that Bastron provide the Commission with an affidavit that he has complied fully with the sanctions imposed within 30 days after the end of his 12-month suspension.

### **Background Information of Alexander R. Bastron**

#### Prior SEA Rule 19h-1 and 19d-1 Notices

No prior 19h-1 Notices or Notifications or 19d-1 Notices have been filed on behalf of Bastron.

#### Proposed Association, Responsibilities and Compensation

Cambridge proposes to continue to employ Bastron as a general securities representative. The Firm has represented that, as a registered representative, Bastron

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<sup>2</sup> See In the Matter of Alexander R. Bastron, Administrative Proceeding File No. 3-17196 (April 5, 2016) (attached as Exhibit 2).

<sup>3</sup> *Id.*

<sup>4</sup> Bastron’s supervisory suspension will end on April 18, 2017.

<sup>5</sup> Bastron paid the full amount of the monetary penalty on April 18, 2016. See Email from Smith Greig, Office of the General Counsel, Securities and Exchange Commission, dated October 20, 2016 (attached as Exhibit 3).

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will assist in the general servicing of securities accounts from a book of business that has recently been acquired by another registered representative of Cambridge.<sup>6</sup> Bastron will be permitted to open new accounts, however, his role is structured as such that his primary responsibilities are to perform support and administrative services for the existing book of business.<sup>7</sup> These functions will include meeting with clients and soliciting various investments. Bastron will work from a branch office located at 4704 Harlan St., Suite 660, Denver, CO 80212, will be compensated by salary, and may be eligible for additional compensation based upon new assets brought into the practice.<sup>8</sup> In addition, the Firm has agreed to grant Bastron a forgivable loan, details of which are provided in the exhibits referenced below.<sup>9</sup>

### Registration, Employment and Regulatory History

#### *Registration History*

Bastron has been registered as a General Securities Representative (Series 7) since July 2006. He also passed the General Securities Principal Examination (Series 24) in November 2006, the Registered Options Principal Qualification Examination (Series 4) in February 2007, the Municipal Securities Principal Examination (Series 53) in April 2007, and the NASAA Uniform Combined State Law Examination (Series 66) in May 2008.<sup>10</sup>

#### *Employment History*

Bastron has been associated with the following broker-dealer firms during the following periods:<sup>11</sup>

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<sup>6</sup> See Exhibit 1, MC-400 Application, at p. 149.

<sup>7</sup> See email from Andrea Shafer dated January 9, 2017 (attached as Exhibit 4). The book previously belonged to Vernon Bass, who, as described below, will serve as Bastron's on-site supervisor. Vernon Bass will not receive any compensation from commissions Bastron derives from the book.

<sup>8</sup> See Alex Bastron Registered Representative Agreement (attached as Exhibit 5).

<sup>9</sup> See Exhibit 1 at pp. 172 – 181.

<sup>10</sup> See CRD Snapshot for Alexander R. Bastron, at p. 11 (attached as Exhibit 6).

<sup>11</sup> *Id.* at pp. 4 – 6.

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<u>Employer</u>	<u>Period of Employment</u>
Cambridge Investment Research, Inc.	November 2009 – Present
Cambridge Investment Research Advisors, Inc.	November 2009 – April 2016
First Citizens Investor Services, Inc.	March 2009 – November 2009
Cambridge Investment Research, Inc.	April 2006 – March 2009

#### *Outside Business Activities*

Bastron lists his outside business activity (“OBA”) as being an advisory representative of Longview Wealth Management.<sup>12</sup> Bastron has not nor will he perform any supervisory functions at Longview Wealth Management.<sup>13</sup>

#### *Compromises with Creditors*

On April 1, 2007, Bastron reached compromises with two separate creditors, settling amounts owed of \$11,067 and \$2,070 for one-time payments of \$6,500 and \$1,500.<sup>14</sup>

#### *Regulatory History*

Other than the SEC Order that gave rise to Bastron’s statutory disqualification, Member Regulation is unaware of any disciplinary or regulatory actions brought against Bastron.

#### **Background Information of Cambridge**

Cambridge is based in Fairfield, Iowa, and has been a member of FINRA since December 11, 1995. The Firm has 1,630 branch offices and 366 Office of Supervisory Jurisdiction (“OSJ.”). The Firm employs approximately 3,725 registered representatives, including 580 registered principals, and 712 unregistered employees.<sup>15</sup>

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<sup>12</sup> See Exhibit 6 at p. 11.

<sup>13</sup> See Exhibit 4.

<sup>14</sup> *Id.* at pp. 14 – 16.

<sup>15</sup> See Exhibit 1 at p. 151.

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### **Proposed Supervisors**

#### Primary Supervisor – Vernon E. Bass (CRD # 14441)

The Firm proposes that Bastron will be supervised onsite<sup>16</sup> by Vernon E. Bass (“Bass”), a General Securities Principal.<sup>17</sup> Bass, who has been employed by Cambridge since September 2008, is a registered representative and general securities principal whose supervisory responsibilities will be limited to Bastron.<sup>18</sup> Both he and Bastron work from the Firm’s branch office located on 4704 Harlan Street, Suite 660, Denver, CO 80212,

Bass has been registered as a General Securities Representative (f/k/a Series 1; n/k/a Series 7) since January 1974. He also passed the Uniform Securities Agent State Law Examination (Series 63) in July 1981, the General Securities Principal Examination (Series 24) in October 1981, the Uniform Investment Adviser Law Examination (Series 65) in November 1998, and the Futures Managed Funds Examination in March 2004.<sup>19</sup>

Bass has been associated with the following broker-dealer firms, during the following periods:<sup>20</sup>

<u>Employer</u>	<u>Period of Employment</u>
Cambridge Investment Research, Inc.	September 2008 – Present
Multi-Financial Securities Corporation	June 1996 – September 2008
Wedbush Morgan Securities, Inc.	November 1994 – June 1996
R A F Financial Corporation	November 1989 – November 1994
Wall Street West, Inc.	April 1989 – December 1989

Bass is not currently engaged in any outside business activities.<sup>21</sup>

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<sup>16</sup> See Email from Andrea Shafer dated August 30, 2016 (attached as Exhibit 7).

<sup>17</sup> See CRD Snapshot for Vernon E. Bass at p. 4 (attached as Exhibit 8).

<sup>18</sup> See Exhibit 7.

<sup>19</sup> See Exhibit 8 at pp. 11 – 12.

<sup>20</sup> *Id.* at pp. 4 – 8.

<sup>21</sup> *Id.* at p. 11. Bass’ Form U-4 lists one prior OBA. From 1995 – 2006, Bass was a member of the City of Arvada Retirement Board.

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### *Regulatory History*

In 1976, while employed with Pittman & Co., Inc., Bass was censured and fined \$400 by FINRA (f/n/a NASD) for violations of Article III, Sections 1, 4, 18 and 27(b) of the Rules of Fair Practice.<sup>22</sup>

In 1988, while employed with Dunhill Investments Corporation (“Dunhill”), Bass was censured and fined \$6,666 by FINRA for violating Article III, Sec. 1 of the NASD Rules of Fair Practice by exceeding the number of trade tickets permitted by Dunhill’s restrictive agreement.<sup>23</sup>

### *Customer Complaint*

In December 2001, Bass was subject to a customer complaint alleging damages of \$80,000 for breach of fiduciary duty and violations of the Investment Advisors Act. Bass’ employer at the time, Multi-Financial Securities Corporation (“Multi-Financial”), took no action in response, nor did Multi-Financial or Bass enter into a settlement with the complainant.<sup>24</sup>

### *Bankruptcy*

In May 1989, Bass declared personal bankruptcy due to his personal interest in a failed commercial bank. Bass’ debts were discharged in September 1989.<sup>25</sup>

### Alternate Supervisor – Wesley D. Bigler (CRD # 1081979)

In the event that Bass is out of the office, Bastron will be supervised by Wesley D. Bigler (“Bigler”).<sup>26</sup> Bigler has been associated with Cambridge since January 2007 and also serves as the CEO of LongView Wealth Management, a registered investment adviser. He works from a Firm branch office located on 1100 Johnson Ferry Road, NE, Suite 320, Atlanta, GA 30342.

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<sup>22</sup> *Id.* at pp. 15 – 17.

<sup>23</sup> *Id.* at pp. 17 – 19.

<sup>24</sup> *Id.* at pp. 23 – 24.

<sup>25</sup> *Id.* at pp. 21 – 23.

<sup>26</sup> *See* Exhibit 7.

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Bigler passed the Uniform Securities Agent State Law Examination (Series 63) on January 7, 1983. He has been registered as an Investment Company and Variable General Securities Principal (Series 6) since January 1983, a Direct Participation Programs Representative (Series 22) since February 1983, a General Securities Representative (Series 7) since October 1989, and a General Securities Principal (Series 24) since March 1990.<sup>27</sup>

Bigler has been associated with the following broker-dealer firms, during the following periods:<sup>28</sup>

<u>Employer</u>	<u>Period of Employment</u>
Cambridge Investment Research, Inc.	January 2007 – Present
Financial Network Investment Corporation	July 1994 – December 2006
Keogler, Morgan & Company, Inc.	May 1989 – July 1994

#### *Outside Business Activities*

Bigler lists as an OBA serving as a board member of Continuity Partners Group, LLC, and as an insurance agent for various independent insurance companies.<sup>29</sup> The Firm indicates that Bigler no longer serves as a board member for Continuity Partners Group, LLC, and has not engaged in any independent insurance outside business activities within the last 12 months, but rather lists insurance agent on his Form U4 in the event an opportunity presents itself.<sup>30</sup>

Member Regulation is unaware of any disciplinary or regulatory actions brought against Bigler.

#### **Discussion and Basis for FINRA's Filing of the 19h-1 Notification**

SEA Rule 19h-1(a)(3)(iv)(A)&(B) reads, in pertinent part:

A notice need not be filed with the Commission pursuant to this rule if. . .

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<sup>27</sup> See CRD Snapshot for Wesley D. Bigler at p. 11 (attached as Exhibit 9).

<sup>28</sup> *Id.* at pp. 4 – 7.

<sup>29</sup> *Id.*

<sup>30</sup> See Email from Andrea Shafer dated December 15, 2016, attached as Exhibit 10).

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(iv) The disqualification previously – (A) was a basis for the institution of an administrative proceeding pursuant to a provision of the federal securities laws, and (B) was considered by the Commission in determining a sanction against such person in the proceeding; and the Commission concluded in such proceeding that it would not restrict or limit the future securities activities of such person in the capacity now proposed or, if it imposed any such restrictions or limitations for a specified time period, such time period has elapsed[.]

It is appropriate for FINRA to file this notification pursuant to SEA Rule 19h-1(a)(3)(iv)(A)&(B) because the Application meets all applicable conditions of this rule. As noted, Bastron's disqualification was the basis for the institution of an administrative proceeding pursuant to the Exchange Act, and this proceeding did not restrict or limit his future securities activities in the capacity now proposed, i.e., as a General Securities Representative (Series 7); rather, it limited his ability to act in a supervisory capacity in association with any broker, dealer, investment adviser, municipal securities dealer, municipal securities dealer or transfer agent until April 18, 2017.

Cambridge represents that Bastron will be prohibited from acting in a supervisory capacity and has implemented a robust supervisory system to ensure that Bastron complies with the terms of the Order during the course of his association and activities with both the Firm and with Longview Wealth Management.

FINRA knows of no conduct or other circumstances that would cause Bastron's association with Cambridge as a General Securities Representative to be inconsistent with the public interest or the protection of investors. FINRA therefore believes that this form of notification to the Commission is appropriate.

Cambridge is not a member of any other self-regulatory organization.

Sincerely,

*Lorraine Lee-Stepney*

Lorraine Lee-Stepney

Enclosures



Brent J. Fields  
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cc: Andrea Shafer (Via Electronic Mail)  
Vice President, Compliance  
Cambridge Investment Research, Inc.

Natasha Greiner (Via Electronic Mail)  
Office of Chief Counsel  
U.S. Securities and Exchange Commission  
Division of Trading and Markets

Robert C. Cushmac (Via Electronic Mail)  
Office of Chief Counsel  
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Daniel M. Sibears (Via Electronic Mail)  
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Ann-Marie Mason (Via Electronic Mail)  
Vice President & Counsel  
Regulatory Operations, Shared Services  
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Andrew Love (Via Electronic Mail & w/out Exhibits)  
Associate General Counsel  
Office of General Counsel  
FINRA

David M. Kelley (Via Electronic Mail & w/out Exhibits)  
Surveillance Director  
Kansas City District Office  
FINRA

Greg Luken (Via Electronic Mail & w/out Exhibits)  
Principal Regulatory Coordinator  
Kansas City District Office  
FINRA

Cathy Williams (Via Electronic Mail & w/out Exhibits)  
Regulatory Analyst  
Registration and Disclosure  
FINRA

## **Exhibits**

1. MC-400 Application and related attachments filed by Cambridge on May 25, 2016.
2. In the Matter of Alexander R. Bastron, Administrative Proceeding File No. 3-17196 (April 5, 2016).
3. Email from Smith Greig, Office of the General Counsel, Securities and Exchange Commission, dated October 20, 2016.
4. Email from Andrea Shafer dated January 9, 2017.
5. Alex Bastron Registered Representative Agreement.
6. CRD Snapshot for Alexander R. Bastron.
7. Email from Andrea Shafer dated August 30, 2016.
8. CRD Snapshot for Vernon E. Bass.
9. CRD Snapshot for Wesley D. Bigler.
10. Email from Andrea Shafer dated December 15, 2016.