

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. BOX 47029
NEWARK, New Jersey 07101
(973) 504-3600

IN THE MATTER OF: :
 :
 HUGH R. HUNSINGER, JR. :
 (CRD #2179745) : SUMMARY BAR ORDER
 :
 Respondent. :
 :

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau”) by the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq., (“Securities Law”), more specifically, N.J.S.A. 49:3-56, and after careful review and due consideration of:

- 1) The Criminal Accusation (Accusation No. 1074) entered against Hugh R. Hunsinger, Jr. (“Hunsinger”) on August 6, 2013 in the case of State of New Jersey v. Hugh R. Hunsinger, Jr., Docket No. 13-08-1074-A, Superior Court of New Jersey, Law Division, Bergen County, alleging Theft by Unlawful Taking or Disposition, second degree, in violation of N.J.S.A. 2C:20-3a;
- 2) The August 6, 2013 Transcript of Proceedings in which Hunsinger enters a guilty plea to the one count Accusation charging him with Theft by Unlawful Taking or Disposition, second degree, in the case of State of New Jersey v. Hugh R. Hunsinger, Jr., Superior Court of New Jersey, Law Division, Bergen County;

- 3) The August 6, 2013 Consent Judgment in a Criminal Action in the case of State of New Jersey v. Hugh R. Hunsinger, Jr., Superior Court of New Jersey, Law Division, Bergen County;
- 4) The October 15, 2013 Default Decision from the Financial Industry Regulatory Authority (“FINRA”) barring Hunsinger from associating with any FINRA member in any capacity and ordering Hunsinger to pay restitution to his customers, Disciplinary Proceeding No. 2011030045101;
- 5) The November 8, 2013 Judgment of Conviction and Order for Commitment in the case of State of New Jersey v. Hugh R. Hunsinger, Jr., Superior Court of New Jersey, Law Division, Bergen County; and
- 6) The November 20, 2013 Order of Suspension in the case of State of New Jersey v. Hugh R. Hunsinger, Jr., Superior Court of New Jersey, Law Division, Bergen County.

The Bureau Chief makes the following findings of fact and conclusions of law:

1. Hunsinger, CRD #2179745, residing in Pine Brook, New Jersey, was registered with the Bureau as an agent of various broker-dealers from November 1993 to November 2011. He was most recently registered with the Bureau as an agent of Lincoln Financial Advisors Corporation (“Lincoln Financial”) (CRD #169029) from February 13, 2002 to November 3, 2011.
2. FINRA issued its Default Decision on October 15, 2013, which found that:
 - a) In the spring of 2002, shortly after Hunsinger began his affiliation with Lincoln Financial, “HRH” and “MLH” (the “Victims”), who are also Hunsinger’s parents,

established four accounts with Lincoln Financial. Hunsinger served as account representative for the accounts.

- b) In December 2002, Hunsinger caused \$50,000 to be transferred from the Victims' accounts to an account at Lakeland Bank in Fairfield, New Jersey, for the benefit of Hunsinger and his wife. Neither of the Victims had an account at Lakeland Bank, and neither of the Victims had authorized the transfer.
 - c) Between January 31, 2005 and July 8, 2011, Hunsinger caused unauthorized transfers of funds in the aggregate amount of \$1,354,496.44 from the Victims' retirement accounts to two accounts in Hunsinger's name. All such transfers were made without the Victims' knowledge or authorization.
 - d) Hunsinger had instructed the Victims that he was investing the money on their behalf. Instead, he used the money on personal expenditures.
3. FINRA's Default Decision barred Hunsinger from associating with any FINRA member in any capacity and ordered Hunsinger to pay restitution to the Victims, on the basis of (i) converting customer funds, in violation of NASD Rules 2330(a) and 2110, and FINRA Rules 2150 and 2010; (ii) engaging in securities fraud, in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, NASD Rules 2120 and 2110, and FINRA Rules 2020 and 2010; and (iii) failing to provide requested information, in violation of FINRA Rules 8210 and 2010.
 4. On August 6, 2013, Hunsinger pled guilty to Theft by Unlawful Taking or Disposition, second degree, in violation of N.J.S.A. 2C:20-3a, and admitted to the unlawful taking of \$1,354,496.44.

5. On November 8, 2013, a Judgment of Conviction and Order for Commitment was entered against Hunsinger based on his guilty plea and he was sentenced to five years at the Department of Corrections, together with a five year suspension of his Insurance Producer License. It was also ordered that restitution be paid to the Victims in the amount of \$1,354,496.44.
6. Hunsinger's conviction of crimes involving theft and fraudulent practices is grounds pursuant to N.J.S.A. 49:3-56(k) to summarily bar Hunsinger from being a partner, officer or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in New Jersey.

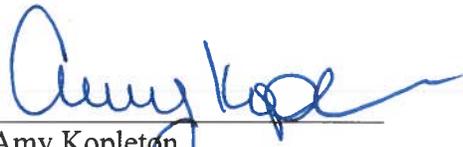
For the reasons stated above, it is on this 19th DAY of February 2014,

ORDERED that Hugh R. Hunsinger, Jr. be, and hereby is, summarily barred, pursuant to N.J.S.A. 49:3-56(k), from being a partner, officer or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in New Jersey; and it is further

ORDERED that exemptions to certain securities transactions provided by N.J.S.A. 49:3-50 are hereby denied; and it is further

ORDERED that the exemptions to the registration requirements provided by N.J.S.A. 49:3-56 are hereby denied

A copy of this Order shall be promptly served upon Hugh R. Hunsinger, Jr.

By: 
Amy Kopleton
Acting Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-56(k), any person barred by this subsection shall be entitled to request a hearing by the same procedures as set forth in subsection (c) of N.J.S.A. 49:3-50. Pursuant to N.J.S.A. 49:3-50(c)(1), upon service of the order issued by the Bureau Chief, the respondent shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau. Orders issued pursuant to subsection (c) shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order shall be held in any event within 20 days after it is requested; and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-50(c)(2) if a respondent fails to respond by either filing a written answer and written request for a hearing with the Bureau or moving to vacate an order within the 15 day prescribed period, the respondent shall be deemed to have waived the opportunity to be heard. If no hearing is requested, the Order shall become a Final Order and will remain in effect until modified or vacated upon notice to all interested parties by the Bureau Chief.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of this Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.