

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 329667

JOHN M. MORENO
CRD No. 3132915

Applicant.
John M Moreno

Issued and entered
This 4th day of November, 2016

STIPULATION AND ORDER
APPROVING INVESTMENT ADVISER REPRESENTATIVE
CONDITIONAL REGISTRATION

A. RELEVANT INFORMATION AND STATUTORY PROVISIONS, under the Michigan Uniform Securities Act (2002) (the "Act"), 2008 PA 551, MCL 451.2101 *et seq.*:

1. John M. Moreno ("Applicant") filed an application for registration as an investment adviser representative in the State of Michigan on April 29, 2016. In addition, Applicant first became registered as a securities agent in the State of Michigan in 2008.
2. Applicant is assigned CRD No. 3132915.
3. Since August 2000, Applicant has been employed by and/or associated with CUNA Brokerage Services, Inc. ("CUNA"), a Michigan-registered broker-dealer (CRD No. 13941), and would continue to work with CUNA as a securities agent.
4. CUNA is also federal covered investment adviser firm, notice-filed in Michigan, and Applicant would begin working with CUNA as a conditionally-registered investment adviser representative upon the approval of his registration application pursuant to the terms of this Stipulation and Order. CUNA withdrew Applicant's application for registration as an investment adviser representative on August 19, 2016.
5. The Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the "Department") has reviewed the information contained in Applicant's applications and CRD/IARD disclosures. Applicant and CUNA acknowledge that Applicant submitted a personal balance sheet to the Department in connection with the April 29, 2016 application for registration as an investment adviser representative reflecting that he was insolvent in the amount of \$1,184,450.
6. Based on Applicant's insolvency, and for the reasons more specifically set forth therein, the Director of the Department, as Administrator of the Act ("Administrator"), issued and

entered a Notice of Intent to Deny Investment Adviser Representative Registration Application ("Notice of Intent to Deny") against Applicant on July 6, 2016.

7. Applicant will be working at the following address:

CUNA Mutual Group
85 Stephens Rd.
Grosse Pointe Farms, MI 48236
Telephone: (608) 665-6921

8. Applicant will be supervised by the following individuals or Compliance Officers who work at the following address:

Joseph L. Hampel, CRD No. 4878987
Compliance Analyst, CUNA, CRD #13941
3849 Sonata Dr.
Union, KY 41091
Telephone: (608) 665-7250
E-mail address: joe.hampel@cunamutual.com

9. Applicant, CUNA, and the Department (collectively, the "Parties") acknowledge and agree that Applicant's insolvency provides grounds for the Administrator to deny Applicant's application for registration as an investment adviser representative pursuant to Section 412 of the Act, MCL 451.2412.

10. Following entry of the Notice of Intent to Deny, Applicant and the Department engaged in discussions regarding possible resolution of this matter. During those discussions, Applicant provided information establishing that his wife, Bernadette Bruce-Moreno, was found liable for fraud, resulting in a judgment of \$899,845.32 against Bruce-Moreno and Applicant's undivided one-half interest in his marital community. As of May 6, 2016, the judgment amount was \$1,537,476.55. Applicant has appealed the judgment against his undivided one-half interest in his marital community in the Arizona Court of Appeals, Docket No. 1 CA-CV 16-0156.

11. CUNA submitted a letter in support of Applicant's conditional registration.

12. Therefore, notwithstanding that a basis exists for denying Applicant's registration application, the Department and Administrator have determined that: (a) protection of the investing public does not require denial if Applicant and CUNA agree to a registration subject to the terms and conditions specified in this Stipulation and Order; and (b) the conditional registration of Applicant pursuant to this Stipulation and Order is authorized by law and otherwise reasonable, appropriate, and in the public interest.

B. STIPULATION

In consideration of the foregoing facts and the following mutually agreed upon promises and covenants and other good and valuable consideration, the adequacy and sufficiency of which the Parties hereby expressly acknowledge, the Parties agree to this Stipulation enabling the Administrator to conditionally register Applicant as an investment adviser representative, subject to Applicant's compliance with the following conditions and the additional terms agreed to by the Parties below:

Updating the CRD

1. Upon entry of the attached Order, the Department will file a Form U-6 reflecting the Parties' resolution of the Notice of Intent to Deny pursuant to this Stipulation and Order. In addition, the Department will update the CRD to reflect Applicant's registration as an investment adviser representative as "APPROVED-RES [RESTRICTED]."

Compliance Review and Reporting

2. CUNA agrees to provide the Department with a complete copy of their written supervisory procedures and any independent contractor or other agreements entered into between it and Applicant, if any, together with Applicant's first quarterly compliance report submitted pursuant to Paragraphs B.14 and B.15 below.
3. Any changes to Paragraphs A.7 or A.8 of this Stipulation and Order will be reported in writing to the Department within fifteen (15) days to the address indicated in Paragraph B.15 of this Stipulation and Order.
4. CUNA will report to the Department any new customer complaints (written or oral), disciplinary actions, or other changes to Applicant's answers to the Disclosure Questions on the Form U-4 (a "Reportable Event") that arise during the conditional registration Term (as defined in Paragraph B.18 below), regardless of whether Applicant is required to report the customer complaint on the Form U-4, within fifteen (15) days of receipt of the information. Reporting the information on the CRD system alone will not satisfy this requirement. Applicant will also supply a copy of Applicant's revised Form U-4 to the Department upon its filing through the CRD. Items must be reported to the Department in writing directly to the address indicated in Paragraph B.15 of this Stipulation and Order and include the following information regarding each customer complaint or Reportable Event:
 - a. Client name, address, telephone number, and e-mail address, if any.
 - b. A copy of any written complaint.
 - c. A written summary of any oral complaint.
 - d. Current status of the complaint, including the resolution, if any.
5. Applicant and CUNA acknowledge that continued insolvency, a customer complaint, or another reportable item may extend the supervisory period.

6. Applicant and/or CUNA will submit the relevant Form ADV Part 2B Brochure Supplement to the Department together with Applicant's first quarterly compliance report submitted in accordance with Paragraphs B.14 and B.15 below.
7. Applicant will not have discretionary authority (or limited power of attorney) over any Michigan customers during the Term of Applicant's conditional registration.
8. All new accounts opened and/or financial plans prepared by Applicant for Michigan customers will be reviewed and approved by CUNA before the execution of the initial transaction(s) in any new accounts and before payment of any financial planning fees.
9. All transactions by Applicant for Michigan retail or other non-institutional customer accounts will be reviewed and approved by CUNA before execution. Transactions involving institutional clients or customers will be reviewed after execution by CUNA as part of its monthly review of Applicant's activities.
10. All correspondence to or from Applicant, including without limitation electronic communications, U.S. mail, and facsimiles, both incoming and outgoing, shall be reviewed by Applicant's supervisor or CUNA's compliance department on a weekly basis. CUNA will maintain written evidence of review (e.g., supervisor or Compliance Officer's initials written on all correspondence).
11. All advertising, sales literature, and other solicitation material given or sent by Applicant to any customer or potential customer shall be approved by Applicant's supervisor or CUNA's compliance department before use.
12. CUNA will conduct a monthly review with Applicant regarding Applicant's activities and the status of any current disciplinary actions.
13. CUNA's monthly review with Applicant will also assess customer accounts for compliance with this Stipulation and Order and the Act.
14. After the monthly reviews are completed, CUNA will submit to the Department a quarterly compliance report in the form attached as Exhibit A, on CUNA's letterhead, certifying that Applicant is in compliance with this Stipulation and Order and the Act. The submission will also re-identify any written or oral complaints regarding Applicant's accounts that were received during the reporting period and reported to the Department under Paragraph B.4.
15. CUNA will submit the quarterly compliance report on or before the first of the month for the following months after entry of the attached Order, and continuing during the entire Term of Applicant's conditional registration under this Stipulation and Order: May 1, August 1, November 1, and February 1, with reporting periods ending March 31, June 30, September 30, and December 31, respectively. CUNA and Applicant shall have at least thirty (30) days after entry of the attached Order to prepare and submit the first report. If

there are not at least thirty (30) days to prepare and submit Report #1, use the next quarter's due date as the due date for Report #1. However, the first reporting period begins immediately upon entry of the attached Order and ends with the next applicable reporting period end date. For example, if the attached Order is entered on October 15, Report #1, covering the period of October 15 through December 31, is due on February 1. The reports will be submitted to the Department at the following address: Final Order Monitoring, Corporations, Securities & Commercial Licensing Bureau, P.O. Box 30018, Lansing, MI 48909.

Personal Balance Sheets

16. In addition to the quarterly compliance reports described in Paragraphs B.14 and B.15, Applicant agrees to prepare and CUNA agrees to submit to the Department, together with each quarterly compliance report, a personal balance sheet in the form attached as Exhibit B reflecting Applicant's financial condition as of the end of the applicable reporting period.

Term of Conditional Registrations

17. Applicant's investment adviser representative registration shall remain conditional and subject to this Stipulation and Order (the conditional registration "Term"), and CUNA agrees to supervise Applicant, until each of the following has occurred:
 - (a) Applicant submits a copy of a court order satisfying, vacating, overturning, or amending Cause No. CV2007-005794, *Digital Systems Engineering, Inc. v Bernadette Bruce-Moreno and John Moreno*, the State of Arizona, Maricopa County Superior Court's judgment against Applicant's undivided one-half interest in the marital community he shares with his wife; and
 - (b) Applicant submits a personal balance sheet prepared by him evidencing that he is solvent (i.e., his personal assets exceed his personal liabilities.)

Upon the occurrence of these events entitling Applicant to an unconditional registration, Applicant and CUNA may submit a written request to the Department that the conditions be lifted from Applicant's registration and providing a reasonable basis for the request.

Additional Provisions

18. Applicant and CUNA will fully cooperate with the Department in any investigation, audit, or examination relating to Applicant's activities.
19. Applicant acknowledges and agrees that upon his failure to comply with any terms of this Stipulation and Order within the time frames specified, and until such compliance is made, the Administrator is entitled to and may automatically and summarily: (a) suspend all

registrations held by Applicant under the Act; (b) deny any renewal registrations submitted by Applicant; and (c) deny any future applications for registration submitted by Applicant, which shall be effective upon notice given by the Administrator or his designee with no opportunity for hearing. Applicant further acknowledges and agrees that the Administrator may pursue any other available contractual, administrative, or judicial remedies to enforce this Stipulation and Order. Applicant may voluntarily surrender or withdraw a registration under the Act; however, such surrender or withdrawal will not negate the aforementioned actions against the relevant registrations or additional disciplinary proceedings if a violation of this Stipulation and Order or the Act have occurred.

20. Applicant acknowledges and agrees that: (a) the Administrator has jurisdiction and authority to enter the attached Order; (b) the attached Order may be entered without any further notice to him; and (c) upon entry of the attached Order, it is final and binding, and Applicant waives any right to a hearing and/or appeal of the attached Order or the Notice of Intent to Deny that exists under the Act, the rules promulgated under the Act or the predecessor Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
21. The Parties acknowledge and agree that this Stipulation and Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, agreements, understandings, and negotiations, whether oral or written, with respect to its subject matter. The Parties further agree that this Stipulation and Order may only be amended, modified, or supplemented by a duly executed writing signed by each party and approved by Order of the Administrator.
22. The Parties acknowledge and represent that: (a) each party has read this Stipulation and Order in its entirety and fully understands all of its terms, conditions, ramifications, and consequences; (b) each party unconditionally consents to the terms of this Stipulation and Order; (c) each party has consulted with or had ample opportunity to consult with legal counsel of his, her, or its choosing prior to executing this Stipulation; (d) each party has freely and voluntarily signed this Stipulation; and (e) the consideration received by each party as described in this Stipulation and Order is adequate.
23. The Parties agree that they may execute this Stipulation in any number of counterparts, each of which shall be deemed an original hereof, but which together shall constitute one and the same instrument and agreement, and that facsimile or electronically-transmitted signatures may be attached to this Stipulation and shall be binding on such party as an original signature.
24. The signatories to this Stipulation below represent and warrant that they have the legal capacity and authority to enter into this Stipulation on behalf of the named Parties and to bind the named Parties to the terms and conditions contained herein.

IN WITNESS WHEREOF, the Parties hereto have agreed to and executed this
STIPULATION AND ORDER APPROVING INVESTMENT ADVISER REPRESENTATIVE
CONDITIONAL REGISTRATION, with the intent to be legally bound hereby, as of the dates
indicated by each signature.

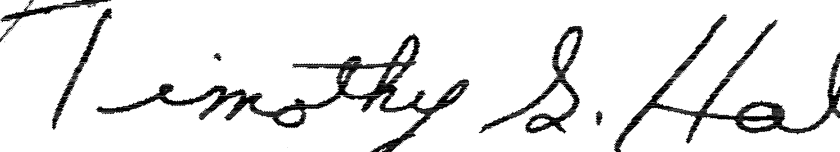
Dated: 10/21/2016

Signed:


John M. Moreno, Applicant

Dated: 10/28/2016

Signed:


Name, CRD No.: Timothy S. Halevan, CRD# 2288721
Chief Compliance Officer
CUNA Brokerage Services, Inc., CRD No. 13941

Dated: _____

Signed:

Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial Licensing
Bureau

IN WITNESS WHEREOF, the Parties hereto have agreed to and executed this STIPULATION AND ORDER APPROVING INVESTMENT ADVISER REPRESENTATIVE CONDITIONAL REGISTRATION, with the intent to be legally bound hereby, as of the dates indicated by each signature.

Dated: _____

Signed: _____

John M. Moreno, Applicant

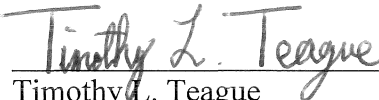
Dated: _____

Signed: _____

Name, CRD No.:
Chief Compliance Officer
CUNA Brokerage Services, Inc., CRD No. 13941

Dated: 11.2.16

Signed: _____


Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial Licensing
Bureau

C. ORDER

NOW, THEREFORE, the Administrator ORDERS:

IN ACCORDANCE WITH THE FOREGOING FULLY EXECUTED STIPULATION: THE JULY 6, 2016 NOTICE OF INTENT TO DENY JOHN M. MORENO'S INVESTMENT ADVISER REPRESENTATIVE REGISTRATION APPLICATION IS RESOLVED, AND HIS INVESTMENT ADVISER REPRESENTATIVE REGISTRATION IS NOW CONDITIONALLY APPROVED.

A handwritten signature in black ink, appearing to read "Julia Dale", is written over a horizontal line.

Julia Dale
Administrator and Director
Corporations, Securities & Commercial Licensing Bureau

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Agency No. 329667

JOHN M. MORENO
CRD# 3132915

Applicant.
_____ /

Issued and entered
This 6th day of July, 2016

NOTICE OF INTENT TO DENY
INVESTMENT ADVISER REPRESENTATIVE REGISTRATION APPLICATION

I. RELEVANT FACTS AND APPLICABLE LAW.

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) (the "Securities Act"), 2008 PA 551, as amended, MCL 451.2101 *et seq*:

1. John M. Moreno ("Applicant") has been registered as a securities agent in Michigan through CUNA Brokerage Services, Inc. (CRD#13941) since on or around April 21, 2008. Applicant has not been registered as an investment adviser representative in the State of Michigan at any time.
2. On or around April 29, 2016, Applicant filed an application in Michigan for registration as an investment adviser representative working for CUNA Brokerage Services, Inc. (CRD#13941), a federal covered investment adviser firm, notice-filed in Michigan, with an address of 200 Heritage Way, Waverly, Iowa 50677.
3. Applicant submitted a balance sheet in connection with the April 29, 2016 application for registration as an investment adviser representative which showed that Applicant's liabilities exceed his assets. The Administrator finds that Applicant is insolvent because his liabilities exceed his assets.
4. The Administrator reviewed materials relating to the application referred to in paragraph two above. Based on Applicant's liabilities exceeding his assets as discussed above and hereafter, the Administrator determined that the denial of investment adviser representative application is authorized, appropriate, and in the public interest.
5. Section 412(6) of the Act, MCL 451.2412(6), authorizes the Administrator to deny a registration application pending final determination of an administrative proceeding.

6. Section 412(1) of the Act, MCL 451.2412(1), provides that if the Administrator finds that the Order is in the public interest, and MCL 451.2412(4) authorizes the action, the Administrator may issue an Order denying an application for registration as an investment adviser representative.
7. The Administrator may deny the Applicant's registration application under section 412(4)(g), MCL 451.2412(4)(g), because, as detailed above, Applicant's liabilities exceed his assets and the Administrator has made a finding of insolvency as to Applicant.

II. ORDER.

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

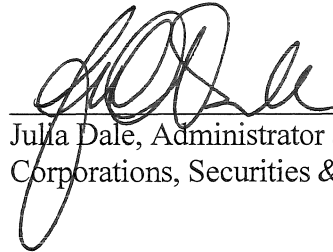
IT IS ORDERED as follows:

1. The Administrator intends to DENY the INVESTMENT ADVISER REPRESENTATIVE REGISTRATION APPLICATION OF JOHN M. MORENO, under section 412(1) of the Act, MCL 451.2412(1), because Applicant's liabilities exceed his assets and the Administrator has made a finding of insolvency as to Applicant, which supports the denial of his registration application under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*
2. In accordance with section 412(1) and (6) of the Act, MCL 451.2412(1) and (6): This is NOTICE that the Administrator intends to deny Applicant's investment adviser representative registration application, and that Applicant has thirty (30) calendar days after the date that this Order is served on Applicant to submit a written request to the Administrator that this matter be scheduled for a hearing. If the Administrator timely receives a written request, the Administrator shall schedule a hearing within 15 days after receipt of the written request. If a hearing is not requested by Applicant or is not ordered by the Administrator within 30 days after the date of service of this Order, Applicant's application investment adviser representative registration will be DENIED. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Applicant, may modify or vacate this Order or extend the Order until final determination.
3. Applicant is responsible for notifying his/her relevant supervisor and/or the Chief Compliance Officer of his/her employing firm of the issuance of this Order according to firm policies or procedures. A copy of this Order will not be mailed to Applicant's supervisor or the firm's Chief Compliance Officer. Agency representatives will only discuss this Order with a representative of Applicant's employing firm when Applicant or an attorney on Applicant's behalf is also present, because the firm is not a party to this administrative proceeding.

If Applicant requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By:

A handwritten signature in black ink, appearing to read 'Julia Dale', is written over a horizontal line.

Julia Dale, Administrator and Director
Corporations, Securities & Commercial Licensing Bureau