

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
METLIFE SECURITIES INC.) ADMINISTRATIVE ORDER
PRUCO SECURITIES, LLC) NO. OV-2015-0023
TERRY JOE BAGWELL)
)
)
RESPONDENTS)

ORDER TO VACATE AS TO RESPONDENT METLIFE SECURITIES INC. ONLY

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. **METLIFE SECURITIES INC. ("METLIFE")** CRD # 14251, is a previously registered broker/dealer in the state of Alabama, having merged in 2017 into MML Investors Services, LLC, a limited liability company organized and existing under the laws of the state of Massachusetts, with a principal business address of 1295 State Street, Springfield, MA 01111.
2. **PRUCO SECURITIES, LLC ("PRUCO")** CRD # 5685, is and has been a registered broker/dealer in the state of Alabama since October 6, 1982, with a principal business address of 751 Broad Street, Newark, NJ 07102-3777.
3. **TERRY JOE BAGWELL ("BAGWELL")** CRD # 2298887, was a registered investment advisor representative in the state of Alabama and the Managing Principal for **PRUCO** from October 10, 2011, until June 3, 2014, with a business address of 1800 International Park, Suite 200, Birmingham, AL 35243. Prior to his employment at **PRUCO** and during the time period relevant to this Order, **BAGWELL** was the Managing Principal for **METLIFE**, with a business address of 3800 Colonnade Parkway, Suite 600, Birmingham, AL 35243.

STATEMENT OF FACTS

4. In 2014, the Commission was contacted by the Hoover, Alabama Police Department concerning a possible fraud involving a securities transaction. According to the complaint filed with law enforcement, a **METLIFE** representative had offered and sold the complainant **METLIFE** variable life insurance products which, according to the complainant, were not suitable and which had been described in a misleading manner. The Commission commenced an investigation and discovered additional investors in Alabama who had purchased similar products from the representative while he was employed with **METLIFE** or during his subsequent employment at **PRUCO**.

5. On or about October 31, 2014, the Commission became aware of a FINRA arbitration filed by Alabama investors against **METLIFE**, **BAGWELL**, and **PRUCO**.

6. On November 5, 2015, Show Cause Order No. **SC-2015-0023** was issued by the Commission, concerning the activities of **BAGWELL** and the registered representative, who was under the direct supervision of **BAGWELL** during their employment at both **METLIFE** and **PRUCO**. Relying on information it possessed at the time, the Commission also named **METLIFE** and **PRUCO** as Respondents in the Show Cause Order, alleging a failure to exercise diligent supervision over the securities activities of associated persons and a failure to establish, maintain, or enforce compliance with appropriate written policies and procedures.

7. In response to the Show Cause Order, counsel for **METLIFE** contacted Commission staff to request an informal meeting. Counsel for **METLIFE** also submitted a response stating that **METLIFE** had in effect during the relevant time period written policies, procedures, and guidelines governing the replacement and switches of annuity transactions, as well as supervisory protocols regarding such transactions. **METLIFE** contends that it fulfilled its responsibilities for supervising both the sales and the supervisory activities of its supervising agents.

8. On June 16, 2015, **METLIFE**, **BAGWELL**, and **PRUCO** settled the FINRA arbitration.

9. In 2016, counsel for **METLIFE** and Commission staff met informally via teleconference to further discuss the allegations in the Show Cause Order and internal investigations conducted by **METLIFE**.

10. Following the informal meeting, counsel for **METLIFE** furnished additional documentation and records corroborating the representations made to the Commission staff and demonstrating that the misleading statements were not made during the time that **BAGWELL** was employed by **METLIFE**.

11. After further investigation, the Commission concludes that the Show Cause Order is due to be vacated as it relates to **METLIFE**.

Based upon good cause shown, the Show Cause Order No. **SC-2015-0023** issued against **RESPONDENTS** on November 5, 2015 shall hereby be vacated as it relates exclusively to **METLIFE**.

The Show Cause Order remains in full force and effect as it pertains to all other **RESPONDENTS** named in the Order.

Entered at Montgomery, AL, this 8th day of May, 2023.

ALABAMA SECURITIES COMMISSION
445 Dexter Avenue, Ste. 12000
Montgomery, AL 36104
(334) 242-2984
BY:



Amanda Senn
Director

