

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Donald W. Kiley,
CRD No. 2630201,

Respondent.

Disciplinary Proceeding
No. 20050033124

Hearing Officer: LBB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: January 5, 2009

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REGISTRATION & DISCLOSURE

INTRODUCTION

Disciplinary Proceeding No. 20050033124 was filed on January 31, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA"). ("Complainant"). Respondent Donald W. Kiley ("Respondent" or "Kiley") submitted an Offer of Settlement ("Offer") to Complainant on October 28, 2008. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to NASD Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other

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proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Between August 2003 and February 2005, Donald W. Kiley ("Kiley") was registered with Walnut Street Securities, Inc. ("Member"), a member of FINRA. From February 2005 through November 2007, Kiley was registered with a member of FINRA, and is currently registered with a member of FINRA. Kiley therefore is subject to the jurisdiction of FINRA.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1.. Between approximately September 2003 and November 2004, Kiley received approximately \$20,382.07 in compensation for participating in sales of securities, totaling approximately \$160,601.24, in the form of ten life settlements issued through Mutual Benefits Corporation and ABC Viaticals, Inc. to six public customers of the Member.¹

¹ On December 22, 2006, Kiley sent to FINRA staff, by facsimile, a schedule identifying each life settlement sale, the names of the customer purchasing life settlements, the amounts of each purchase, and the commission Kiley received for each sale. Kiley's schedule formed the basis for the statements of fact set forth in Paragraph 2 of the Complaint.

2. Kiley failed to give written notice of his intention to participate in the sales of life settlements to, and failed to receive written approval from, the Member prior to engaging in such activities.

3. Moreover, the Member explicitly prohibited the sale of viatical and life settlements in its Compliance Manual. The manual provided that "a Representative SHALL NOT refer, recommend, or solicit transactions involving Viatical, Life, or Senior Life Settlements" (original emphasis).

Based on the foregoing, Respondent violated NASD Conduct Rules 2110 and 3040.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

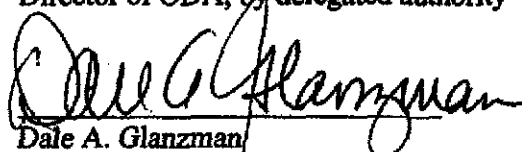
It is ordered that Respondent be suspended for three months from association with any member of FINRA in any capacity and fined \$5,000.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

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

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

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