

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20060042794-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: WFG Investments, Inc., Respondent
Broker-Dealer
CRD No. 22704

Pursuant to Rule 9216 of the FINRA Code of Procedure, WFG Investments, Inc. (f/k/a The (Wilson) Williams Financial Group) (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm has been a member of FINRA (formerly NASD) since August 24, 1988, and its registration remains in effect.

RELEVANT PRIOR DISCIPLINARY HISTORY

The firm understands that its disciplinary history may be a factor that will be considered in deciding whether to accept this AWC. The firm has no relevant disciplinary history.

VIOLATIVE CONDUCT BY RESPONDENT

In Review No. 20060042794, the Market Regulation staff (the "staff") reviewed the firm's municipal bond trading activity during the period of January 1, 2003 through March 31, 2005.

1. In 16 pairs of transactions, the firm purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any mark-down or mark-up) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in connection with the transaction, the expense involved in effecting the transaction, the fact that the broker, dealer, or municipal securities dealer is entitled to a profit, and the total dollar amount of the transaction. The transactions are identified on Attachment A which is attached hereto and incorporated by reference. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rules G-17 and G-30(a).
2. The firm failed on 21 occasions to show correct terms and conditions on the memorandum of 14 transactions in municipal securities for the account of the firm executed with a customer other than a broker or dealer, by incorrectly providing a buy or sell designation on the memorandum for 13 of the transactions; failing to include time stamps that showed the correct time of receipt on the memorandum for six of the transactions; and, failing to include time stamps that showed the time of execution on the memorandum for two of the transactions. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-8(a).
3. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to MSRB Rules G-17 and G-30. Specifically, the firm's supervisory system did not include written supervisory procedures providing for reviews for compliance with MSRB Rules G-17 and G-30 that included: (1) a statement of the supervisory step(s) to be taken by the person(s) responsible for supervision of the applicable rules; (2) a statement as to how often such person(s) should take such step(s); and (3) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of MSRB Rule G-27(c).

4. The firm failed to enforce its written supervisory procedures which specified that the designated principal would review and approve each order ticket and evidence such review by initialing the order ticket. None of the 50 order tickets related to the paired transactions reviewed by the staff reflected any indication of a supervisory review occurring with respect to the order tickets. The conduct described in this paragraph constitutes violations of MSRB Rules G(27)(a) and G-27(c).

B. The firm also consents to the imposition of the following sanctions:

A censure, a \$27,500 fine (consisting of \$20,000 for the fair pricing violations, \$2,500 for the books and records violations, and \$5,000 for the supervisory violations), and an order to pay restitution to the customers listed on Attachment A hereto in the total amount of \$10,029.96, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct, until the date this AWC is accepted by the National Adjudicatory Council ("NAC"). Satisfactory proof of payment of the restitution or of reasonable and documented efforts undertaken to effect restitution shall be provided to FINRA staff no later than 120 days after acceptance of this AWC. If for any reason the firm cannot locate any customer identified in Attachment A after reasonable and documented efforts within such period, or such additional period agreed to by the staff, the firm shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

In addition, the firm consents to the imposition of an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.3. Within 30 business days of acceptance of this AWC by the NAC, a registered principal of the Respondent shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies

described in paragraph L.A.3; and, (3) the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

II.**WAIVER OF PROCEDURAL RIGHTS**

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.**OTHER MATTERS**

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that the firm may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.**

The firm certifies that it has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

5/14/08
Date

Respondent
WFG Investments, Inc.

By: Wilson H. Williams
Name: Wilson H. Williams
Title: president

Reviewed by:

[Signature]
Michael Wolk
Counsel for Respondent
Foley & Lardner LLP
Washington Harbour
3000 K Street, N.W., Suite 500
Washington, DC 20007-5143
(202) 945-6013

Accepted by FINRA:

5/14/08
Date

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

Thomas R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation

WFG Investments, Inc.
20060042794 Review Period
January 1, 2003 through March 31, 2005
Attachment A

Item	Date	Firm1	Firm2	Firm3	Quantity	Trade 1 Time	Trade 1 Price	Trade 2 Time	Trade 2 Price	MU/MD Percentage	Restitution Buy/Sell Price	Restitution
1	1/6/2003	C	WMBU	Dealer	40,000	12:14:00	74.446	12:26:00	70.671	5.33%	73.50408	\$376.77
3	1/6/2003	Dealer	WMBU	C	50,000	12:02:00	50	12:16:00	52.5	5.00%	51	\$730.00
6	1/15/2003	Dealer	WMBU	C	50,000	13:19:00	59.5	15:09:00	55.5	6.72%	56.525	\$512.50
7	1/28/2003	Dealer	WMBU	C	100,000	16:07:00	31	16:27:00	33.5	8.06%	31.62	\$1,882.00
10	2/5/2003	C	WMBU	Dealer	50,000	12:02:00	78.2	15:14:00	74.242	5.33%	77.2188	\$484.16
11	2/12/2003	C	WMBU	Dealer	200,000	16:00:00	30	16:10:00	28.5	5.26%	29.51743	\$965.10
12	2/10/2003	Dealer	WMBU	C	100,000	17:02:00	28.5	17:48:00	30	5.26%	29.51743	\$482.53
13	2/11/2003	Dealer	WMBU	C	20,000	16:23:00	12.5	16:30:00	15.5	24.00%	14.5	\$200.00
14	2/11/2003	C	WMBU	Dealer	100,000	13:19:00	29	14:47:00	27.5	5.43%	28.48175	\$518.25
15	2/20/2003	Dealer	WMBU	C	200,000	15:50:00	23.5	16:39:00	22	6.38%	22.6387	\$1,317.40
16	4/2/2003	C	WMBU	C	90,000	15:18:00	27	15:19:00	28.35	5.00%*	27.9423	\$366.93
17	4/2/2003	C	WMBU	C	225,000	10:43:00	27	10:44:00	28.35	5.00%*	27.9423	\$917.33
18	4/11/2003	C	WMBU	C	30,000	14:53:00	28.5	14:55:00	27	5.56%*	27.9639	\$268.05
19	4/15/2003	C	WMBU	C	50,000	11:51:00	26	11:55:00	27.5	5.77%*	26.9282	\$285.90
21	3/5/2004	C	WMBU	Dealer	10,000	15:23:00	76.05	15:52:00	70.26	8.24%	74.6156	\$157.44
23	10/15/2004	Dealer	WMBU	C	95,000	14:09:00	27.36	14:53:00	28.873	5.55%	28.312128	\$337.58

* Items 16-19 involve spread transactions where the firm accepted a markup but no markdown amount for the customer transactions mentioned, with the respective legs in each of Items 16-19.

Total=

\$10,029.96