

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006004687101**

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Denise Woods
(CRD No. 3170325)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Denise Woods, submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

I became registered as an Investment Company and Variable Contracts Products Representative with a member of FINRA in February 1999. In December 2003, I became associated in the same capacity with Harris Direct LLC, which later changed its name to Harris Investor Services Corp. (Member). I was terminated by the Member in March 2006. Since then, I have not been associated with another member. I have no disciplinary history.

OVERVIEW

In September 2005, I misused \$137,000 given to me by public customer MT. MT requested in April 2005, that I purchase a fixed annuity for him. Instead, I placed these funds in the securities account of another customer, RS, in violation of NASD Rule 2110.

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FACTS AND VIOLATIVE CONDUCT BY RESPONDENT

1. In April 2005, MT gave me a check in the amount of \$140,000 that was to be used for the purchase of a fixed annuity policy. Contrary to the wishes of MT, however, I held onto the check and never purchased the product.
 2. In July 2005 I met with RS for the purpose of opening a securities account. To fund the account, she requested that her portfolio being held by another member be liquidated and the monies transferred to the Member. Contrary to the wishes of RS, however, the portfolio was never liquidated and transferred, and the securities account was never funded.
 3. In September 2005, I cashed the \$140,000 check given to me by MT and proceeded to have a check issued in the amount of \$137,000 and made payable to the Member. I then deposited the \$137,000 check into the securities account of RS. The funds were eventually used to purchase mutual funds for RS.
 4. By taking MT's funds without his knowledge and consent, and depositing them into RS's securities account, I misused MT's funds in violation of NASD Conduct Rule 2110.
- B. I also consent to the imposition, at a maximum, of the following sanctions: a bar from association with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of

Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- 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, I 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.

I 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

I understand 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 me; and,
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;

2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about his 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. I 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 allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that a duly authorized representative has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce it to submit it.

Denise Woods

12-11-07
Date

Denise Woods

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

12/13/2007
Date

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

Richard A. March
Richard A. March
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FINRA Department of Enforcement
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