

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20060061950**

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REGISTRATION & DISCLOSURE

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

RE: Walter Yun, Respondent
General Securities Representative and General Securities Principal
CRD No. 4668063

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Walter Yun, 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

Yun entered the securities industry as a General Securities Representative (Series 7) in 2003 and then became a General Securities Principal (Series 24) in 2005. From May 1, 2003 through August 17, 2006, Yun was associated with AXA Advisors, LLC, a member of FINRA (f/k/a National Association of Securities Dealers or NASD), as a General Securities Representative and General Securities Principal. Yun is not currently associated with any FINRA member.

RELEVANT PRIOR DISCIPLINARY HISTORY

Yun has not been the subject of prior disciplinary action by the Securities and Exchange Commission, FINRA, other self-regulatory organizations, or state regulators.

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OVERVIEW

This matter involves multiple violations including (i) undisclosed outside business activities; (ii) repeated misrepresentations to a member firm concerning involvement in those outside business activities; (iii) settling customer complaints without the member firm's knowledge or consent; (iv) guarantees against losses; (v) exercising discretion without written authorization; and (vi) exercising discretionary authority over an account held at another firm without disclosing that authority to the firm with which he was associated.

FACTS AND VIOLATIVE CONDUCT

1. Customers DC and Y C

In September 2004, Yun, while registered as a general securities representative with AXA Advisors, LLC ("AXA"), advised customers DC and YC to open an account at TD Ameritrade ("Ameritrade"). Yun represented that if they invested \$250,000, he would guarantee that they would receive monthly income of at least \$7,000, which would be more than sufficient to pay their life insurance premiums and to provide them with additional income. Yun recommended that the account be opened at Ameritrade because he did not believe he would be permitted to trade low-priced stocks at AXA. DC and YC believed and trusted Yun; he was a congregant at the Church in which DC was the Pastor.

In September and October 2004, DC and YC opened two Ameritrade accounts and deposited \$250,000. Between September 2004 and April 2005, Yun accessed DC's and YC's Ameritrade accounts and effected securities transactions. By early May 2005, the value of DC's and YC's Ameritrade accounts had diminished by about \$100,000.

In January 2005, Yun also recommended that the DC and YC invest in Win Link Corp., a multi-level marketing company. Based on Yun's recommendation, DC and YC invested slightly more than \$150,000 in Win Link. Yun gave DC and YC a \$150,000 promissory note to guarantee that their investment would be returned within seven months. Within about five months, Win Link ceased operations and DC and YC lost more than half of the amount that they had invested.

DC and YC complained to Yun and requested that he reimburse them for their losses. In order to settle their complaints, in May, 2005, Yun executed five promissory notes totaling \$134,000. Yun defaulted after making payments of just \$10,000.

2. Customers YS and SS

In late 2003, Yun recommended that AXA customers YS and her daughter, SS, invest in Win Link Corp. Yun represented that Win Link would provide substantial returns and guaranteed that they would not lose money. YS and SS knew and trusted Yun; they had been neighbors for more than ten years; they attended the same Church; and they had purchased life insurance through him.

In December 2003, YS and SS invested \$77,000 in Win Link. Yun promised that they would not lose money and gave them two post-dated personal checks totaling \$77,000 to guarantee their investment.

When Win Link ceased operations, YS and SS received only \$38,276.04, less than half the amount they had invested. On August 31, 2005, Yun gave YS a personal check in the amount of \$38,724 which represented the difference between YS' and SS' investment in Win Link and the distribution they received from the company. However, Yun's check was returned for insufficient funds. After YS and SS demanded repayment and threatened to complain to AXA, Yun gave YS and SS two promissory notes dated November 9, 2005. Yun later defaulted on the notes.

THE VIOLATIONS

1. Undisclosed Outside Business Activities
NASD Conduct Rules 3030 and 2110

Beginning in 2004 and continuing through 2005, Yun engaged in sales activities on Win Link's behalf and received compensation for his efforts. Yun failed to provide his firm with prompt written notice, or any notice at all, of this activity.

By reason of the foregoing, Yun violated NASD Conduct Rules 3030 and 2110.

2. Failure to Observe Just and Equitable Principles of Trade
NASD Conduct Rule 2110

On April 21, 2005, AXA questioned Yun about his involvement, if any, with Win Link. Among other things, Yun denied: (i) receiving any compensation; (ii) distributing any sales or marketing material; (iii) discussing Win Link with any individuals; and (iv) knowing any AXA customers who had invested in Win Link. On May 26, 2005, Yun reiterated to AXA that he had not received any compensation from Win Link; he had not discussed Win Link; he had not referred anyone to Win Link; and that he was not aware of any AXA clients who had invested in Win Link. On July 12, 2005, Yun confirmed to AXA that he had no involvement with Win Link, whatsoever.

In fact, Yun's denials were false. He had discussed Win Link with AXA customers; he had distributed its marketing materials; he had recommended that AXA customers invest in Win Link; and he had received compensation from Win Link.

Conduct Rule 2110 requires that individuals who are associated with FINRA "observe high standards of commercial honor and equitable principles of trade." Yun's misrepresentations to his firm about his outside business activities were inconsistent with those standards.

By reason of the foregoing, Yun violated NASD Conduct Rule 2110.

3. Settling Customer Complaints Without the Firm's Knowledge or Authorization
NASD Conduct Rule 2110

In May 2005, Yun gave DC and YC five promissory notes totaling \$134,000 after they complained about the losses in their Ameritrade accounts and their Win Link investments. Similarly, in November 2005, Yun gave YS and SS promissory notes totaling more than \$38,000 to compensate them for losses in their Win Link investments. Yun never told AXA about DC's and YC's or YS' and SS' complaints nor did he tell his firm about his purported settlements.

By reason of the foregoing, Yun violated NASD Conduct Rule 2110.

4. Guaranteeing Against Loss in a Securities Account
NASD Conduct Rules 2330(e) and 2110

Conduct Rule 2330(e) provides that no member or person associated with a member shall guarantee a customer against loss in any securities account of such customer or in any securities transaction effected by the member with or for such customer. Yun's promise that DC's and YC's Ameritrade accounts would generate income of at least \$7,000 per month constituted a prohibited guarantee against loss.

By reason of the foregoing, Yun violated NASD Conduct Rules 2330(e) and 2110.

5. Discretion Without Written Authorization
NASD Conduct Rules 2510 and 2110

Between September 2004 and August 2005, Yun executed at least 39 discretionary transactions in DC's and YC's Ameritrade accounts without having obtained prior written authorization from DC and YC and without prior written acceptance of the accounts as discretionary by his member firm.

By reason of the foregoing, Yun violated NASD Conduct Rules 2510(b) and 2110.

6. Failure to Disclose Authority Over an Account at Another Firm
NASD Conduct Rules 3050(c) and (d) and 2110

From September 2004 through at least April 2005, Yun executed discretionary authority over DC's and YC's Ameritrade accounts without disclosing this discretionary authority to AXA, the firm with which he was associated.

By reason of the foregoing, Yun violated NASD Conduct Rules 3050 and 2110.

B. I also consent to the imposition 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 NASD 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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive 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 waive 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 me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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 finding in this AWC or create the impression that the AWC is without factual basis. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its 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 me to submit it.

10/17/07
Date

Walter Yun
Walter Yun

Accepted by FINRA:

November 16, 2007
Date

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

Joel Kornfeld
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