

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

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REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

David W. Gwynn,
CRD No. 1699887,

Respondent.

Disciplinary Proceeding
No. 2006006808001

Hearing Officer: SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: September 11, 2008

INTRODUCTION

Disciplinary Proceeding No. 2006006808001 was filed on August 1, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA"). ("Complainant"). Respondent David W. Gwynn submitted an Offer of Settlement ("Offer") to Complainant on August 18, 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

David W. Gwynn entered the securities industry in April 1986 as an associated person of a member of FINRA. He became registered as a General Securities Representative in July 1987, and as a General Securities Principal in January 1999. From on or about July 29, 2005, until on or about October 20, 2006, he was registered through Wells Fargo Investments, LLC ("Wells Fargo") as a General Securities Principal and General Securities Representative.

On or about October 20, 2006, a Uniform Termination Notice for Securities Industry Registration ("Form U5") was filed by Wells Fargo on behalf of Respondent Gwynn. The Form U5 disclosed that Respondent Gwynn had been discharged on October 13, 2006, for violation of company policies.

Respondent Gwynn is not currently registered or associated with any member firm; however, pursuant to Article V, Section 4 of the FINRA By-Laws, FINRA retains jurisdiction over him for purposes of this disciplinary proceeding.

FINDINGS AND CONCLUSIONS

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

In April and May 2006, Respondent Gwynn exercised discretionary power in a customer's brokerage account without first having obtained the customer's prior written authorization.

In or about December 2002, public customer JAB opened an account with Wells Fargo. JAB granted another registered representative written authorization to exercise discretion in her account. Sometime in 2006 prior to April 1, Respondent Gwynn became broker of record for JAB's account. JAB did not grant written authorization to Respondent Gwynn to exercise discretion in her account.

During the period from on or about April 1, 2006, until on or about October 12, 2006, Respondent Gwynn executed approximately 97 purchases and sales of securities in JAB's account. Respondent Gwynn exercised discretionary authority in approximately 75 percent of those transactions.

The transactions in which Respondent Gwynn exercised discretionary authority included 13 purchase and sale transactions during the period from on or about April 10, 2006, until on or about May 19, 2006. Those transactions are listed in Schedule A, attached hereto and incorporated by this reference. Respondent Gwynn earned approximately \$484.03 in net commissions from those 13 transactions.

When Respondent Gwynn exercised discretion in JAB's account, JAB had not granted prior written authorization to Respondent Gwynn to exercise discretion in her account and Wells Fargo had not accepted the account as a discretionary account for trading by Respondent Gwynn.

Based on the foregoing, Respondent Gwynn committed separate and distinct violations of NASD Conduct Rule 2510(b). Such conduct is inconsistent with high standards of commercial honor

and just and equitable principles of trade and a violation of NASD Conduct Rule 2110 by Respondent Gwynn.

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

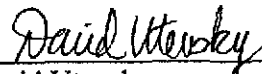
It is ordered that Respondent be suspended from associating with any member of FINRA in any capacity for a period of 10 business days. Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

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



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