

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20060075122-01**

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REGISTRATION & DISCLOSURE

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

RE: Gordon Powers, Respondent
General Securities Representative
CRD No. 2335716

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

Powers entered the securities industry in 1993 as a General Securities Representative of a FINRA member. From on or about March 9, 2001, through May 7, 2004, Powers was registered with FINRA member UBS Financial Services Inc. From on or about May 7, 2004, through December 14, 2006, Powers was registered with FINRA member LPL Financial Corporation. Powers is not currently registered with a FINRA member and has no disciplinary history.

OVERVIEW

Gordon Powers engaged in private securities transactions and outside business activities without notifying LPL. Further, he borrowed \$48,000 from four customers, in violation of UBS and LPL policies, as well as FINRA rules.

FACTS AND VIOLATIVE CONDUCT

1. Private Securities Transactions

From May 2004 through March 2006, Powers participated in the sale of securities to 24 investors¹ without providing prior written notice to LPL, the member with which he was associated throughout that time. The securities consisted of membership units and stock in EZShow, a company which Powers had helped form and in which Powers maintained an ownership interest. Twenty-three of the 24 investors were customers of LPL. The total amount of investor funds involved in these transactions was \$356,500. Powers did not receive any commissions or other compensation directly attributable to his participation in these sales.

In May 2005 and June 2006, on LPL compliance questionnaires, Powers denied being involved in any outside investment opportunities.

The foregoing conduct constitutes separate and distinct violations of NASD Conduct Rules 3040 and 2110 by Powers.

2. Outside Business Activities

From November 2005 through May 2006, Powers engaged in business activity outside the scope of his relationship with LPL by participating in the active management of EZShow. Powers did not provide prompt written notice of this outside business activity to LPL. Throughout that time period, Powers sat on EZShow's board of directors as its chairman and solicited potential investors on behalf of EZShow.

From December 2005 through January 2006, Powers sold EZShow products, which were not securities, to two of his customers at LPL. For these sales, Powers received commissions totaling \$15,000. Powers engaged in these sales without providing prompt written notice to LPL.

In May 2005 and June 2006, on LPL annual compliance questionnaires, Powers denied being involved in any outside business activities.

The foregoing conduct constitutes separate and distinct violations of NASD Conduct Rules 3030 and 2110 by Powers.

3. Borrowing From Customers

From February 2004 through March 2004, Powers borrowed \$28,000 from one of his customers at UBS. During that time period, UBS's written

¹ For purposes of this AWC, an investment by joint tenants is considered a single investor.

procedures did not allow its registered persons to borrow money from UBS customers.

In January 2005, Powers borrowed a total of \$20,000 from three of his customers at LPL. During that time period, LPL's written procedures did not allow its registered persons to borrow money from LPL customers.

In May 2005 and June 2006, on LPL annual compliance questionnaires, Powers denied having borrowed money from customers.

The foregoing conduct constitutes separate and distinct violations of NASD Conduct Rules 2370 and 2110 by Powers.

B. I also consent to the imposition of the following sanctions:

1. A two-year suspension from association with any FINRA member in any capacity; and
2. A \$15,000 fine.

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 fine shall be due and payable either immediately upon reassociation with a member firm following the two-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

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; and

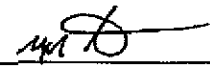
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

9/25/08
Date


Gordon Powers, Respondent

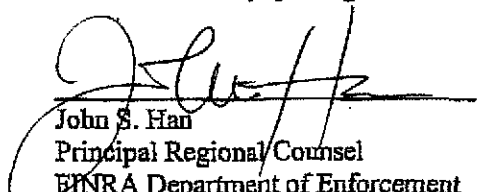
Reviewed by:


Mark Roth, Esq.
Counsel for Respondent
Golbeck Roth, PLLC
1200 Fifth Ave., Suite 1900
Seattle, WA 98101
(206) 467-7026

Accepted by FINRA:

10/27/08
Date

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


John S. Han
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FINRA Department of Enforcement
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