

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT

NO. 20070083912

2009 FEB 27 A 5:02

REGISTRATION & DISCLOSURE

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

RE: Patrick Vern Clarkson, Respondent
General Securities Representative
Blue Sky and Investment Adviser
CRD No. 4171787

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

Patrick Vern Clarkson entered the securities industry in 2000, and was associated with Ameriprise Financial Services, Inc. from September 2000 until he was terminated in March 2007. He is not presently associated with a FINRA member firm. He holds Series 7 (General Securities Representative) and 66 (Blue Sky and Investment Adviser) licenses. He has no disciplinary history.

OVERVIEW

During an 11-month period, while associated with Ameriprise, Clarkson submitted variable life insurance applications for 18 customers to Ameriprise. Clarkson's conduct included signing the names of ten customers on the application forms without the customers' knowledge, authorization or consent,

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and signing the names of 14 customers on money orders (application fee) without the customers' knowledge, authorization or consent. These money orders were submitted by Clarkson along with the applications. Clarkson engaged in this conduct in order to obtain commissions from Ameriprise. As a result of his actions, Clarkson violated NASD Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

1. From December 2005 through October 2006, while associated with Ameriprise, Clarkson signed the names of ten customers on application forms for the purchase of variable life insurance policies. These applications were in the names of customers BO-1, LM, SB, BO-2, DE, DH, TM, JS, JG, and HB. Each application consisted of four documents: 1) Life and Disability Income Insurance Application; 2) Authorization for Release of Health-Related Information to IDS Life Insurance Company; 3) Bank Authorization/Systematic Payout Form; and 4) Life Insurance Illustration. Clarkson signed the customers' names on each of these documents without the customers' knowledge, authorization, or consent and submitted the applications to Ameriprise.
2. The Bank Authorization/Systematic Payout Form contains a section in which a voided check may be affixed to provide account information for the purpose of authorizing transfers of customer funds. With regard to customers BO-2 and JS (referenced above), Clarkson created checks purporting to be from the customers and affixed them to the form without the customers' knowledge, authorization, or consent.
3. With regard to six of the ten customers referenced above (BO-1, LM, SB, BO-2, DE, and DH), Clarkson purchased a \$25 money order with his own funds for each application, to be submitted as the application fee. He then signed the names of the six customers on the money orders, and submitted the money orders along with the application forms to Ameriprise. Clarkson engaged in this conduct without the customers' knowledge, authorization, or consent.
4. With respect to life insurance applications that Clarkson submitted for an additional eight customers (DB, SD, DG, WG, SR, BS, RS, and RM), he purchased a \$25 money order with his own funds for each application, to be submitted as the application fee. He then signed the names of the eight customers on the money orders without the customers' knowledge, authorization or consent and submitted the money orders and the application forms to Ameriprise.
5. Clarkson engaged in all of the acts described above in order to obtain commissions for himself from Ameriprise. By submitting the applications and money orders for the 18 customers, Clarkson received a total of \$41,667.98 in

commissions from Ameriprise, which Ameriprise subsequently reversed.

6. The foregoing conduct is in contravention of high standards of commercial honor and just and equitable principles of trade and comprises separate and distinct violations of NASD Conduct Rule 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.

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.

2/1/09
Date

Pat Clarkson
Patrick Vern Clarkson

Russell D. Bevans, PC
Counsel for Respondent
Bevans & Cooper, LLC
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Eugene, OR 97401
(541) 484-0332

Accepted by FINRA:

2/26/09
Date

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

Sandra J. Harris
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Deputy Regional Chief Counsel
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