

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070105937**

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2009 SEP 22 P 6: 5
REGISTRATION & DISCLOSURE

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

RE: Donald L. Andersen
Registered Representative
CRD No. 4705

Pursuant to FINRA 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

Donald L. Andersen ("Andersen") has been in the securities industry and registered with FINRA as a general securities representative since January 1968. He was employed with Stifel, Nicolaus & Co. Inc. ("Stifel" or the "Firm") until August 2007 and is currently registered with Feltl & Company, a FINRA regulated broker-dealer.

RELEVANT DISCIPLINARY HISTORY

Andersen has no prior disciplinary history.

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FACTS AND VIOLATIVE CONDUCT

1. Andersen had been a registered representative in Stifel's Edina, Minnesota branch office since January 2003 and remained employed there until August 2007, when he was terminated for engaging in discretionary trading in customer accounts.
2. While Andersen was employed at Stifel, he worked with another Stifel registered representative to service certain customer accounts. Andersen and the other registered representative typically acted as partners in handling these customer accounts.
3. Pursuant to NASD Rule 2510, discretionary accounts must be authorized in writing by the customer and accepted by the firm. The rule also provides for time and price discretion, without prior written authorization from the customer or prior written approval from the firm, when a customer orders the purchase or sale of a definite amount of a specified security. However, the duration of such time and price discretionary authority is limited to the business day on which it is granted.
4. Between February 2003 and August 2007, Andersen and the other registered representative occasionally exercised discretion in the accounts of 33 Firm customers without first having obtained written customer authorization that was accepted by his Firm. Furthermore during that same timeframe and the same 33 accounts, Andersen and his partner occasionally exercised time and price discretion after the business day on which the customer granted such discretion, without the customer's written authorization.
5. By reason of the foregoing, Andersen violated NASD Conduct Rule 2510 and thereby also violated NASD Rule 2110.

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

1. A fine of \$10,000 and
2. A suspension from associating with any member firm in any capacity for 10 business days.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed. 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.

Further, 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 Rules 8310 and 8311.)

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 Complaint issued specifying the allegations against me;
- B. To be notified of the 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 FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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 FINRA 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 FINRA Rule 8313; 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.

8/31/09

Date

Donald L. Andersen

Donald L. Andersen
Respondent

Reviewed by:

F. Chet Taylor

F. Chet Taylor, Esq.
Counsel for Respondent
General Counsel
Feltl & Company
225 South Sixth Street Suite 4200
Minneapolis, Minnesota 55402

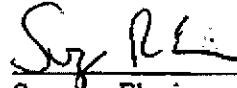
Phone: 612.492.8800

Accepted by FINRA:

9-21-09

Date

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



Suzanne Elovic

Chief Counsel

FINKA Department of Enforcement
14 Wall Street, 14th Floor
New York, NY 10005

Phone: 646.315.7361