

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070109919**

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

**RE: Daniel L. Puplava, Respondent
CRD No. 1875190**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Daniel L. Puplava, 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

Daniel L. Puplava ("Puplava") entered the securities industry in 1988 as a registered representative with a FINRA member firm. Beginning in November 2003, Puplava joined Sentra Securities Corp. ("Sentra") as a registered representative and remained employed with Sentra's successor broker-dealers, AIG Financial Advisors, Inc. ("AIGFA") and SagePoint Financial Inc. ("SagePoint") (collectively referred as the "Firm") through his voluntary resignation from the Firm on January 29, 2010. Puplava is not currently employed in the securities industry.

RELEVANT DISCIPLINARY HISTORY

Puplava has no prior formal disciplinary history.

000059254 2011

OVERVIEW

Between 2006 and 2007, Puplava permitted his non-registered assistant to have access to his signature guarantee stamp and failed to supervise her to prevent its misuse. Puplava therefore violated NASD Rule 3010(b) and NASD Conduct Rule 2110. In addition, in 2006, Puplava obtained and retained eight forms that four separate customers had previously signed in blank and, thus, violated NASD Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

1. NASD Rule 3010(b) and NASD Conduct Rule 2110

Between 2005 and 2008, the Firm's written supervisory procedures ("WSPs") provided that an Office of Supervisory Jurisdiction ("OSJ") manager could apply for and utilize a signature guarantee stamp. The Firm's WSPs permitted the signature guarantee stamp holder to warrant, on behalf of the Firm, that the signature on specific securities business-related documents is genuine and that the signer is both the appropriate person to sign and also has the legal capacity to do so.

The Firm's WSPs specifically required that the signature guarantee stamp be "safeguarded" and that the signature guarantee stamp "cannot be transferred to another person in the office or new incoming OSJ for the branch."

Between 2006 and 2007, Puplava's non-registered assistant had access to Puplava's signature guarantee stamp. During this time period, the non-registered assistant, without Puplava's knowledge, permitted the Firm's registered representatives to use Puplava's signature guarantee stamp to approve securities business-related transactions and paperwork that required a signature guarantee stamp.

Puplava discovered this practice and instructed his non-registered assistant and the registered representatives involved to discontinue the use of his signature guarantee stamp. However, Puplava did not take back his signature guarantee stamp or take steps to otherwise secure the signature guarantee stamp to prevent its misuse.

This practice of using Puplava's signature guarantee stamp without his approval continued through 2007.

Rule 3010(b) provides that "[e]ach member shall establish, maintain, and enforce written procedures... and to supervise the activities of registered representatives and associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations."

NASD Conduct Rule 2110 provides that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

Between 2006 and 2007, Puplava violated NASD Rule 3010(b) and NASD Conduct Rule 2110 by failing to properly supervise his non-registered assistant to ensure that she did not use the signature guarantee stamp without his approval or allow others to do so.

2. NASD Conduct Rule 2110

In 2006, while employed at the Firm, Puplava had customers sign blank securities business-related forms and retained these signed blank securities business-related forms in his customer files.

In 2006, The Firm's policies and procedures prohibited staff from obtaining or retaining documents that had been pre-signed by a customer. Puplava was aware of the Firm's prohibition against this practice.

On December 20, 2006, the Firm performed a compliance exam at Puplava's branch office and discovered eight pre-signed blank forms in the files of four customers belonging to Puplava. All of the forms discovered in Puplava's customer files were securities business-related forms and included non-brokerage change request forms, mutual fund transfer forms and securities account forms.

Puplava, by obtaining and retaining eight securities business-related documents that had been pre-signed by four separate customers, violated NASD Conduct Rule 2110 in that he failed to adhere to high standards of commercial honor and just and equitable principles of trade.

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

1. A suspension from association with any FINRA member in all capacities for a period of three months;
2. A suspension from association with any FINRA member in a principal or supervisory capacity for 20 business days;
3. A fine in the amount of \$7,000.

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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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).

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are 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(s) 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 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 prejudice 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.

8-6-11
Date:

[Signature]
Respondent
Daniel L. Puplava

Reviewed by:

[Signature]
Stanley Yorsz, Esq.
Counsel for Respondent
Buchanan, Ingersoll & Rooney, PC
One Oxford Centre
301 Grant Street, 20th Floor
Pittsburgh, PA 15219-1410

Accepted by FINRA:
9/16/11
Date

Signed on behalf of the
Director of ODA, by delegated authority
[Signature]
Thomas B. Lawson
Chief Counsel
FINRA Department of Enforcement
1735 K St., NW
Washington, DC 20006