

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080125791**

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

RE: Duane Edward O'Neal, Respondent
Former Registered Representative
CRD No. 2357535

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent submits 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Duane Edward O'Neal ("O'Neal") entered the securities industry in April 1993. From April 1993 to July 2005, O'Neal was registered with several FINRA member firms as a General Securities Representative ("GSR"). From July 2005 to January 2008, O'Neal was registered as a GSR at Chase Investment Services Corporation ("Chase"). In January 2008, he voluntarily terminated his employment with Chase.

O'Neal is not currently associated with a FINRA member and has not been since January 2008. On April 17, 2008, Chase filed an amendment to O'Neal's Form U-5 disclosing a customer complaint not previously reported to FINRA. Therefore, FINRA retains jurisdiction over O'Neal pursuant to Article V, Section 4(a) of the FINRA By-Laws until April 16, 2010.

FACTS AND VIOLATIVE CONDUCT

During the period of December 2005 through April 2008, O'Neal was the subject of verbal and/or written complaints involving nine customer accounts. The complaints alleged sales practice misconduct, including making unsuitable investment recommendations, engaging in unauthorized trading, and making misrepresentations regarding the sale of annuities. In connection with FINRA's investigation into the possible sales practice misconduct discussed above, FINRA requested that O'Neal provide testimony pursuant to FINRA Rule 8210.

Specifically, in letters dated September 25, 2009 and October 8, 2009, FINRA requested that O'Neal appear on October 16, 2009 at a court reporting office in Indianapolis, Indiana to provide testimony relevant to this matter. The September 25th Letter was sent by certified mail return receipt requested and first-class mail to O'Neal's last known residential address as reflected in the Central Registration Depository (the "CRD Address"). The October 8th Letter was sent by certified mail return receipt requested and Federal Express to O'Neal's CRD Address. The letters advised O'Neal that his failure to appear and testify on that date could expose him to sanctions, including a permanent bar from the securities industry. O'Neal did not appear at and testify on October 16, 2009.

In a letter dated October 23, 2009, FINRA requested that O'Neal appear on November 10, 2009 at FINRA's New York office to provide testimony relevant to this matter. The October 23rd Letter was sent by certified mail return receipt requested and first-class mail to O'Neal's CRD Address. The letter advised O'Neal that his failure to appear and testify on that date could expose him to sanctions, including a permanent bar from the securities industry. O'Neal did not appear and testify on November 10, 2009.

In a letter dated November 17, 2009 (the "November 17th Letter"), FINRA requested that O'Neal appear on December 2, 2009 at FINRA's New York office to provide testimony relevant to this matter. The November 17th Letter was sent by certified mail return receipt requested and first-class mail to O'Neal's CRD Address and to his current address which he provided to Enforcement by telephone on November 6, 2009 (the "Current Address"). The letter advised O'Neal that his failure to appear and testify on December 2, 2009 could expose him to sanctions, including a permanent bar from the securities industry.

On December 1, 2009, Mr. O'Neal informed FINRA by e-mail that he would not be able to travel to New York to appear and testify as requested. On December 1, 2009, FINRA sent O'Neal a letter (the "December 1st Letter") by e-mail, which stated that FINRA was prepared to reschedule his testimony for December 3, 2009 in Indianapolis, Indiana if he agreed to appear and testify on that date and at that place. The December 1st Letter was sent by certified mail return receipt requested, federal express, and first-class mail to O'Neal at his CRD Address and to his Current Address.

On December 1, 2009, O'Neal responded to the December 1st Letter by e-mail, whereby he agreed to appear and testify in Indianapolis, Indiana on December 3, 2009. On December 2, 2009, O'Neal sent FINRA another e-mail. In this email, O'Neal stated that he would not appear to provide testimony in Indianapolis, Indiana on December 3, 2009. Furthermore, O'Neal

indicated that he had decided to not cooperate with FINRA's investigation and to no longer work for FINRA member firms. O'Neal did not appear and testify at FINRA's New York office on December 2, 2009, nor did he appear and testify at the court reporting office in Indianapolis, Indiana on December 3, 2009.

FINRA Procedural Rule 8210(a) provides, in relevant part, that FINRA "shall have the right to require a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding." Moreover, FINRA Rule 8210(c) states that "no member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule."

Furthermore, FINRA Conduct Rule 2010 states that a person associated with a member firm "shall observe high standards of commercial honor and just and equitable principles of trade" in the conduct of his business.

O'Neal violated FINRA Rules 8210 and 2010 in that he failed to comply with requests that he appear and provide testimony in connection with FINRA's investigation.

B. Respondent also consents to the imposition of the following sanction:

A bar from association with any FINRA members.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, Respondent 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 sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

A. To have a Complaint issued specifying the allegations against him;

- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 Respondent to submit it.

12/15/2009
Date

Duane E. O'Neal
Duane Edward O'Neal
Respondent

Accepted by FINRA:

2/11/10
Date

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

Susan Light
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