

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008013164901**

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

RE: Ward B. Anderson
CRD No. 5640

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Ward B. Anderson ("Anderson"), 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

Anderson was registered as a general securities representative with MML Investor Services, Inc. between July 1986 and April 2008. He has not been registered with another broker-dealer since his termination in April 2008 from MML Investor Services. FINRA retains jurisdiction over Anderson pursuant to Article V, § 4(a) of the By-Laws since the conduct which serves as the basis for this action commenced prior to his termination of registration and this AWC is filed within two years after the effective date of his termination of registration from MML Investor Services.

FACTS AND VIOLATIVE CONDUCT

MISAPPROPRIATION

Anderson operated an outside company called Compensation Planning & Administration Systems, Inc. ("CPI"), which served as a third party administrator for a number of pension plans. Through CPI, he administered the pension plan for customer RM, which was invested in a Mass Mutual Life Insurance Co. "Conversion Account." RM routinely sent one check each month payable to CPI. Anderson would deposit the check into CPI's account and send a CPI check to the RM pension plan account at Mass Mutual.

At some point in 1990, Anderson received the monthly check from RM, deposited it in the CPI account, but failed to send any portion to Mass Mutual. Instead he used the funds for his own benefit. He continued to do this each month until some time in 1994 when RM chose to terminate its pension plan and requested a distribution of all proceeds. At that point, Anderson had misappropriated approximately \$222,700 in this manner from RM.

DB was one of Anderson's customers, although CPI was not the third party administrator. Part of DB's pension fund was invested in a Mass Mutual Conversion Account. The statements for that account were sent to Anderson at his office. To be able to execute prompt transfers out of the Conversion Account, DB had provided Anderson several signed blank withdrawal/transfer forms for the account. In order to cover up his misappropriation from the RM account in 1994, Anderson used one of those forms to withdraw \$250,000 from the DB account. He deposited the funds in the CPI account, and then transferred \$222,700 to the RM account, which he then distributed to RM. Anderson used the remainder for his own benefit.

Following that, when the DB statements came from Mass Mutual, Anderson created and provided to DB new falsified statements containing the information that would have applied if the \$250,000 had not been withdrawn, applying the returns on the funds in which it had been invested. In 1996, Anderson used the signed forms to make three additional withdrawals from the DB account totaling \$62,288 which he used for his own benefit.

Because of the falsified statements, Anderson was able to prevent DB from discovering his misappropriation of in excess of \$312,000 for approximately 14 years. The misappropriation was discovered in March 2008 when DB sought a complete distribution of the funds in the account.

By engaging in the course of conduct described above, Anderson violated NASD Conduct Rules 2330(a) and 2110, and IM-2310-2(b)(4)(A)(iv).

FAILURE TO PROVIDE INFORMATION AND TESTIMONY

During the course of FINRA's investigation, FINRA sent Anderson a document and information request on April 18, 2008 pursuant to NASD Procedural Rule 8210. Anderson failed to provide the requested documents and information.

Also pursuant to NASD Procedural Rule 8210, FINRA requested by letter dated August 18, 2008 that Anderson appear to provide on the record testimony. Anderson refused to appear for such testimony.

By engaging in the course of conduct described above, Anderson violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

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

A bar from association with any FINRA member firm in any capacity.

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.

- 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.

November 25, 2008
Date

Ward B. Anderson
Ward B. Anderson

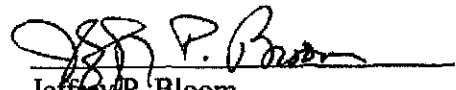
Reviewed by:

Kevin McGreevy
Kevin McGreevy, Esquire
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Counsel for Ward B. Anderson

Accepted by FINRA:

December 19, 2008
Date

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



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