

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008014404801**

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

RE: Christopher William Shanahan, Respondent
CRD No. 2973891

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Christopher W. Shanahan ("I," "Shanahan" or "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 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

Shanahan first became registered with a FINRA regulated broker-dealer in January 2002. Shanahan was registered as a General Securities Representative with American Century Investment Services Inc. ("American Century" or the "Firm") from April 2004 until August 2008. After Shanahan's termination from the Firm, he was registered as a General Securities Representative with Sentinel Financial Services Company, a FINRA regulated broker-dealer from September 2008 to December 2009. Shanahan has not been associated with a FINRA regulated broker-dealer since his termination from Sentinel in December 2009. FINRA retains jurisdiction over Respondent pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated broker-dealer and this AWC has been filed within two years after the effective date of his last termination of registration from a FINRA-regulated firm.

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OVERVIEW

Between April 13, 2004 through July 17, 2008 (the "relevant period"), while registered with American Century, Shanahan misappropriated more than \$30,000 from the Firm by charging personal expenses to a corporate credit card. This conduct violated NASD Conduct Rule 2110. He further violated NASD Conduct Rules 2110 and 3110 by creating and submitting false expense reimbursement reports, causing the Firm's books and records to be inaccurate.

FACTS AND VIOLATIVE CONDUCT

During the relevant period, Shanahan's job responsibilities at American Century included promoting the Firm's funds to retail brokerage firms, individual brokers and financial advisors. His job also entailed a considerable amount of travel and entertaining. Shanahan was issued a corporate American Express credit card to pay for his business travel and other business-related expenses. Use of the corporate credit card for personal expenses was prohibited by the Firm.

During the relevant period, Shanahan sought and received reimbursements for more than \$30,000 of personal expenses to which he was not entitled.

For example, during the relevant period, Shanahan sought and received reimbursements for the following personal expenses:

- Between April 2007 and May 2008, Shanahan used the corporate credit card at least 18 times at Pettit Garden Centers to purchase various items for his yard including an umbrella, chaise lounge covers, trees, shrubs, perennials, annuals, lawn ornaments, and miracle-grow for a total amount of approximately \$3,397. Although these purchases were not business-related, Shanahan created and submitted expense reimbursement reports describing these expenses as a "business dinner," a "business lunch," or a "client event."
- Between January 2007 and January 2008, Shanahan used the corporate credit card at least 10 times at Charley Giegers to purchase skis, ski boots, ski pants, children's skis, men's and women's clothing, including hats, jackets and gloves for a total amount of approximately \$4,510. Although these purchases were not business-related, Shanahan created and submitted expense reimbursement reports describing these expenses as a "business dinner" or a "top producer event."

- Between March 2007 and January 2008, Shanahan used the corporate credit card at least four times at KW1 Acquisition Corp. Inc., a Lexus dealership, for servicing of his car for a total amount of approximately \$3,406. These were personal expenses but Shanahan created and submitted expense reimbursement reports describing these expenses as a "business dinner" or a "client event."

Based on the foregoing, Shanahan violated NASD Conduct Rule 2110 by misappropriating his employer's funds for his own personal use. Additionally, Shanahan falsified expense reimbursement reports, causing his employing Firm's books and records to be inaccurate in violation of NASD Conduct Rules 3110 and 2110

OTHER FACTORS

B I also consent to the imposition of the following sanction:

- A bar from association with any FINRA regulated broker-dealer in any capacity.

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.

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).

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 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

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.

3/17/10
Date

Christopher W. Shanahan
Christopher W. Shanahan
Respondent

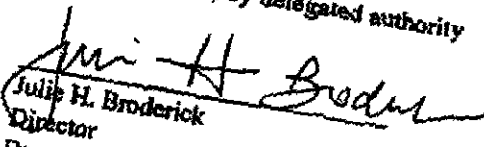
Reviewed by:

Dennis J. Concilla
Dennis J. Concilla
Counsel for Respondent
Carlile Patchen & Murphy LLP
366 East Broad Street
Columbus, Ohio 43215
(614) 228-6

Accepted by FINRA:

3/31/10
Date

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


Julie H. Broderick
Director

Department of Enforcement
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