

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008015496701

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REGISTRATION & DISCLOSURE

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

RE: Douglas L. Swenson, Respondent
General Securities Principal
CRD No. 1196632

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

Douglas L. Swenson entered the securities industry in August 1979 as an associated person of DBSI Securities Corporation ("DBSI Securities"). From September 8, 1983, until May 27, 2005, he was registered through DBSI Securities, initially as a Direct Participation Programs Principal and Direct Participation Programs Representative; beginning on November 23, 2004, as a Corporate Securities Representative; and, beginning on December 6, 2004, as a General Securities Principal. As the majority shareholder of DBSI Securities, he continued to participate in the management of the securities business of DBSI Securities, and was therefore an associated person of DBSI Securities, until March 11, 2009, when DBSI Securities ceased to be a member of FINRA. From April 19, 2006, until March 31, 2009, Respondent Swenson was registered through West Ridge Securities, LLC as a General Securities Principal, Direct Participation Programs Principal, Corporate Securities Representative and Direct

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Participation Programs Representative.

Respondent Swenson was the majority shareholder and Chief Executive Officer of DBSI, Inc. and of numerous related entities, collectively known as DBSI. DBSI was formed in 1979 and maintained its headquarters in Meridian, Idaho. DBSI offered real estate investments to public investors, primarily accredited investors in Regulation D private placements. Those investments included limited partnerships and tenant-in-common interests in raw land as well as developed properties. DBSI also issued a series of promissory notes to public investors, primarily accredited investors in Regulation D private placements. Securities offered by DBSI were sold through DBSI Securities and independent broker/dealers. As of 2007, DBSI managed assets valued at over \$2 billion, including more than 14.5 million square feet in 29 states, and had raised more than \$1 billion in capital, including but not limited to securities offered through DBSI Securities.

During the period from November 6, 2008, to January 9, 2009, DBSI, Inc., DBSI Securities and other entities controlled by Respondent Swenson filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware.

Respondent Swenson has no disciplinary history.

OVERVIEW

Respondent Swenson failed to respond to requests for information issued by the FINRA staff.

FACTS AND VIOLATIVE CONDUCT

In October 2008 FINRA initiated an investigation concerning possible violations of NASD Rules and federal securities laws and regulations by DBSI Securities and/or its associated persons. On March 20, 2009, FINRA staff sent a request for information and documents related to the subject matter of its investigation to Respondent Swenson, in care of his attorneys. The request was issued pursuant to FINRA Rule 8210.

On April 20, 2009, Respondent Swenson's attorneys provided certain information and produced certain documents to FINRA pursuant to the staff's March 20, 2009, request. Other information and documents requested by the staff were not provided.

On April 27, 2009, FINRA staff sent a second request to Respondent Swenson, in

care of his attorneys, pointing out that Respondent Swenson had failed to provide certain information and documents that the staff had requested on March 20, 2009, and asking that he provide the missing information and documents. The staff's second request was issued pursuant to FINRA Rule 8210.

Also on April 27, 2009, FINRA staff sent an additional request for information related to the subject matter of its investigation to Respondent Swenson, in care of his attorneys. That request was issued pursuant to FINRA Rule 8210.

In a letter dated May 5, 2009, Respondent Swenson's attorneys informed FINRA staff that Respondent Swenson had elected not to provide any further information or documents in response to the staff's requests.

Respondent Swenson thereby failed to provide information and documents requested by the FINRA staff pursuant to FINRA Rule 8210.

Such acts, practices and conduct constitute separate and distinct violations of FINRA Rule 8210 by Douglas L. Swenson. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of FINRA Rule 2010.

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

Douglas L. Swenson shall be barred from associating with any member of FINRA 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 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;

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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.

Date

9/28/09


Douglas L. Swenson
Respondent

Reviewed by:


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Patricia A. Bakes
Rachel L. Hong
Counsel for Respondent
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818 Stewart St., Suite 1400
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Accepted by FINRA:

October 7, 2009
Date

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



David Utevsky
Senior Regional Counsel
FINRA Department of Enforcement
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