

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080157403**

**To: Department of Enforcement
FINRA**

**Re: William K. Harrison
General Securities Representative
CRD No. 4353102**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, William K. Harrison, 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

Harrison entered the securities industry in December 2002. From August 2003 until October 13, 2008, Harrison was associated with broker-dealer Wachovia Securities, LLC (Wachovia).

On November 12, 2008, Wachovia filed an amended Form US for Harrison. Consequently, FINRA retains jurisdiction over Harrison pursuant to Article V, Section 4 of the FINRA Bylaws.

Relevant Disciplinary History

Harrison has not been the subject of prior formal disciplinary action by FINRA.

Overview

William Harrison (Harrison) converted customer funds by transferring at least \$6.5 million in customer funds from bank accounts linked to his firm's brokerage accounts into an account at an online broker-dealer. Harrison transferred the funds without any of the customers' consent or knowledge, and he subsequently exercised control over all of the funds in the account for his own use and benefit. By engaging in this conduct, Harrison violated NASD Conduct Rule 2110.

Harrison also failed to provide information that FINRA staff requested pursuant to Rule 8210 and failed to appear for an on-the-record interview (OTR). Through this conduct, Harrison violated FINRA Rules 8210 and 2010.

Facts and Violative Conduct

Conversion of Customers' Funds

Between 2003 and 2008, Harrison serviced customer accounts as a Wachovia registered representative. In April 2006, he began transferring customer funds out of bank accounts linked to Wachovia Securities accounts. He transferred these funds, which totaled at least \$6.5 million belonging to 22 separate Wachovia Securities customers, into an online account at another broker-dealer.

The online account was established in Harrison's wife's name. Harrison had sole control over the online account, and he conducted significant options trading in the account, using the funds of the 22 customers.

Harrison transferred the customer funds and engaged in the aforementioned trading without the affected Wachovia customers' knowledge or consent. Harrison also subsequently transferred some of the funds out of the online account to unknown destinations.

Through this conduct, Harrison violated NASD Conduct Rule 2110.

Failure to Respond to Requests for Information

On January 28, 2009, FINRA staff sent a written request for information to Harrison's residential address, as shown in CRD. Staff sent the letter, which cited FINRA Rule 8210, by first-class mail and by Certified Mail, return receipt requested. FINRA received a Certified Mail receipt showing delivery to and receipt by "D. Harrison." The first-class mailing was not returned. Although Harrison had constructive notice, if not actual notice, of the request for information, he did not respond to the request.

On February 12, 2009, FINRA staff sent a second written request for information to Harrison. Staff sent the second request, which again cited FINRA Rule 8210, to Harrison's residential address, as shown in CRD, by both first-class mail and Certified Mail, return receipt requested. The returned Certified Mail receipt showed delivery to and receipt by "William K. Harrison." The first-class mailing was not returned.

Although Harrison had actual notice of the second request for information, he again did not respond in any fashion.

On March 10, 2009, FINRA staff sent Harrison a third written request for information. Staff sent the third request, which again cited FINRA Rule 8210, to Harrison's residential address, as shown in CRD, by both first-class mail and Certified Mail, return receipt requested. The returned Certified Mail receipt showed delivery to and receipt by "William K. Harrison." The first-class mailing was not returned. Although Harrison had actual notice of the request for information, he again did not respond in any fashion.

Through this conduct, Harrison violated FINRA Rules 8210 and 2010.

Failure to Appear for On-the-Record Interview

On August 12, 2009, FINRA staff sent a letter to Harrison's counsel of record requesting his appearance for an OTR. This letter cited FINRA Rule 8210. The letter was sent by first-class mail and by Certified Mail, return receipt requested. Harrison did not appear for the OTR as requested.

Through this conduct, Harrison violated FINRA Rules 8210 and 2010.

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

- A bar from associating with any FINRA firm in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313, a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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

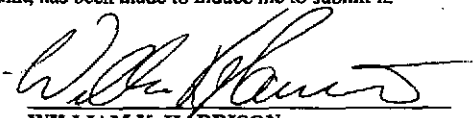
AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. 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.)

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:

8/23/10


WILLIAM K. HARRISON

Reviewed by:

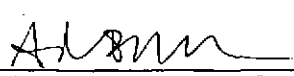

Counsel for William K. Harrison

Accepted by FINRA:

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

Date

9-24-10


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