

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009016529101**

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

RE: Daniel G. Carlen, Respondent
General Securities Representative
CRD No. 2199946

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 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

Daniel G. Carlen first became registered in the securities industry on December 19, 1988, with Slavic Mutual Funds Management Corporation. On January 1, 2009, Slavic Investment Corporation, the successor firm, filed a Form U5 terminating Carlen's employment from the firm. He is not currently registered with a FINRA member firm.

Carlen is not currently registered with a member firm; however, he remains subject to FINRA's jurisdiction for the purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's Bylaws, because: (i) the AWC was filed within two years following the termination of his registration with FINRA; and (ii) the AWC charges him with misconduct committed while he was associated with a FINRA member firm. FINRA's jurisdiction over Carlen extends to December 31, 2010.

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RELEVANT DISCIPLINARY HISTORY

Respondent has no prior disciplinary history.

OVERVIEW

Carlen, a supervisor in the payroll department of a non-registered entity, confessed that he used his position to misappropriate \$235,000 from his employer and converted those funds to his personal use.

FACTS AND VIOLATIVE CONDUCT

- A. Carlen was associated with a member firm, Slavic Investment Corporation. In addition, he was employed as a supervisor of payroll for Slavic Integrated Administration Inc., a third party administration company and non-registered entity, related to the member firm. In this capacity, Carlen systematically directed unauthorized payments from the SIA payroll to a business entity under his sole control and converted the funds to his personal use.

Carlen's misappropriation was discovered through an internal audit, and once his misconduct was discovered, the company's auditor immediately terminated his employment. On December 29, 2008, when Carlen was confronted with actual falsified checks and tampered bank statements, he signed a written statement in which he confessed to embezzling \$235,000 from the Slavic group of companies. In his confession, Carlen detailed that he took the funds through various means including; illegal transfers from the Slavic bank accounts, cash transactions and fraudulent conveyances of altered checks and bank statements. Further, he admitted that he used the money to pay down the mortgage on his house and purchase another residence.

By reason of the foregoing, Respondent violated NASD Conduct Rule 2110.

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

A bar from association with any FINRA member in any capacity

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).

The sanctions 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

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 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:

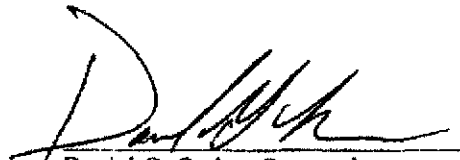
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of

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.

Date: 3-10-2010


Daniel G. Carlen, Respondent

Letter of Acceptance, Waiver and Consent
No. 2009016529101/Daniel G. Carlen

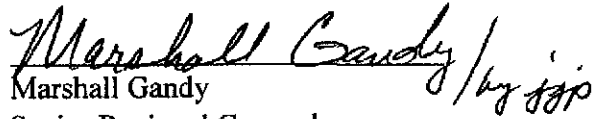
Reviewed by:

Counsel for Respondent

Accepted by FINRA:

March 11, 2010
Date

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


Marshall Gandy
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