

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2009017666301**

RECEIVED
AUG 06 2010
FINRA District 4

**To: Department of Enforcement
FINRA**

**Re: James M. Lindahl
Investment Company and Variable Contracts Products Representative
CRD No. 4513602**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James M. Lindahl (Lindahl), 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

Lindahl entered the securities industry in 2002, when he received his Series 6 and 63 registrations. From March 2002 through May 2009, Lindahl was associated with State Farm VP Management as a registered representative. State Farm VP Management filed an amended Form U5 on May 5, 2009, which stated that it had terminated Lindahl for cause. Consequently, FINRA retains jurisdiction over Lindahl pursuant to Article V, Section 4(a) of the FINRA By-Laws.

Lindahl has not been the subject of prior formal disciplinary action by FINRA or its predecessors.

Overview

Lindahl executed two transactions in a customer account without the customer's authorization or consent. Through this conduct, Lindahl violated FINRA Rule 2010.

Facts and Violative Conduct

1. On January 30, 2009, Lindahl executed two transactions in customer KP's account ("the January 30 transactions").
2. Both of the January 30 transactions changed KP's mutual-fund allocation to more conservative holdings. Lindahl had previously recommended to

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KP that she allocate a portion of her mutual funds to higher-risk holdings.

3. Lindahl did not discuss either of the January transactions with KP before executing them.
4. KP did not consent to either of the January 30 transactions.
5. Through this conduct, Lindahl violated FINRA Rule 2010.

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

1. A suspension from association with any FINRA broker-dealer in any capacity for 15 business days; and
2. A fine of \$5,000.

The fine shall be due and payable either immediately upon reassociation with a FINRA member following the 15-business-day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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 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.

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- 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.


JAMES M. LINDAHL


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TO: FINRA
FROM: JIM LINDAHL / Case 20090176663
SUBJECT: Corrective Action Document
DATE: August 3, 2010



RECEIVED

AUG 06 2010

FINRA District 4

Please accept this corrective action document per my case #20090176663. I would like this letter added to my file for future reference and review

This statement of corrective action is submitted by the respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff

First, I have taken full responsibility of my situation and have never passed on any responsibility or made any excuses for the situation I have put myself in. I have cooperated fully with my broker/dealer, compliance personnel and finally FINRA throughout this full review, audit and settlement of my case. My office has gone through a complete overhaul of its policies and procedures in terms of client applications, client discussions, forms, endorsements and general paperwork. Our primary focus was with regarding to approving and documenting client discussions, obtaining signatures and making sure applications are completed and witnessed per FINRA and my broker/dealers guidelines.

Personal and Office Action Plan:

1. Annual Agency Team Meetings: Last team meeting was January 2010

During this agency meeting I discuss in detail compliance rules and regulations more directly client application process. This review includes how we take applications in and outside the office. We review where and how clients must sign all applications and how they must be witnessed by a licensed agent within our office. We also discuss in detail what is acceptable and not acceptable from my State Farm multi-line compliance meeting which I attended on April 9th, 2010.

At this meeting we also review my broker/dealers internal document called "Building Customer Confidence Memo" which outlines a number of important compliance items. These items of review include obtaining customer signatures, prior approval for any client changes, claim handling and selling based on client needs. I review this document in detail and then I and each team member sign the document and I keep a copy in their personnel file.

2. Completed College Level Ethics Course:

At my own expense, I completed and passed a college level ethics course through the University of Phoenix in December 2009. This was a wonderful course that once again highlighted ethical cases and brought to light the importance of always seeing the client side of any and all transactions. I have my course completion certificate if FINRA needs a copy of this document.

3. Daily/Weekly/Monthly:

My main action plan is based on the lesson I have learned through this whole situation. This was one of the hardest things I have ever gone through personally or professionally. I have realized that everyday items that may be taken lightly cannot. I need to make sure that everything down to the smallest customer service item must be handled correctly and with full and complete compliance.

These additional items below were presented to FINRA in a February 2010 response. I wanted to add them to my corrective action document since it does relate to my office procedures.

Written Correspondence:

I have reviewed again all compliance material provided by my broker/dealer and my compliance supervisor in 2009 and in 2010. We have updated and reviewed my agency information to make sure all written communication both email, letter and fax form is handled correctly. This includes a copy into my client file and sending copy directly to my broker/dealer. I have reviewed again that I am prohibited from creating or sending unapproved communications to any clients or outside individuals regarding securities products. Even with my current US situation I reviewed this action plan with my team members and discussed it in detail.

Written Complaints:

I have reviewed the procedures for handling any and all customer complaint in regards to securities and insurance related products. Any and all complaints must be immediately faxed to my broker/dealer, copy put into client file and my compliance supervisor notified. I will also document and retain any future communications on this complaint. I again reviewed how to handle any complaints with my team members in 2009 and in 2010.

Secprod-Retain:

I also reviewed and updated my office computer and laptop with a new secprod-retain sticker and reviewed compliance material on copying email communications to the secprod-retain. Any and all securities related emails must be copied the securities area by this secprod-retain address.

In closing, I fully understand the importance of being 100% compliant and why these policies and procedures are in place. They are to protect my clients, my broker/dealer, my team members and myself.

I have taken this situation very seriously and fully understand what I have done wrong in the past. I again, take full responsibility for it. I can only use this information and lesson to become a better agent, agency manager and person. These rules and regulations are in place to protect the client, our company and me personally. I feel strongly that FINRA can be confident that this situation will not happen again. I accept the sanctions that are being proposed by FINRA and would like to bring my case to a close.

Please feel free to contact me with any questions on this corrective action document. I can be reached at [REDACTED]