

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009 018 117901**

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

RE: Erin Alyse Outten
(CRD No. 5486108)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Erin Alyse Outten ("Respondent" or "Outten"), 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

Erin Outten first became an associated person of a FINRA member firm, as that term is defined in Article I, paragraph (rr) of the FINRA By-Laws, on December 17, 2007 when she was hired as a bookkeeper for The Washington Group, an Office of Supervisory Jurisdiction of member firm Northwestern Mutual Investment Services, LLC (BD No. 2881) ("Northwestern Mutual") located in McLean, Virginia.

Northwestern Mutual made an initial Non-Registered Fingerprint Individual Filing on behalf of Outten on January 31, 2008. Outten was terminated by The Washington Group and Northwestern Mutual on May 13, 2009.

Outten is not currently an associated person of a FINRA member firm, but remains subject to FINRA's jurisdiction under Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Outten has no prior formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

Outten embezzled approximately \$39,560 from The Washington Group between February and early May, 2009. On November 9, 2009, Outten appeared in the Fairfax Circuit Court, Fairfax County, Virginia, and pled guilty to embezzlement, as charged. Based on the foregoing, Outten violated FINRA Conduct Rule 2010.

Outten also failed to respond to the Staff's Rule 8210 requests for information sent on July 9, 2009 and August 24, 2009. Based on the foregoing, Outten violated FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010.

FACTS AND VIOLATIVE CONDUCT

1. Embezzlement

On May 11, 2009, Outten's supervisor reported to senior management of The Washington Group that Outten had ordered some personal items and billed The Washington Group's operating account. When confronted, Outten claimed that her intention was to take advantage of the company discount to purchase three personal items, and then repay The Washington Group when the items arrived. When Outten's supervisor investigated further, however, she discovered that Outten had also made unauthorized wire transfers to herself from the operating account. In total, Outten embezzled approximately \$39,560 from The Washington Group between February and early May, 2009.

Outten was arrested on May 13, 2009 and was charged with embezzlement, Virginia Code §18.2-111, which is a felony. She was charged in three separate criminal indictments, alleging embezzlement occurring on three consecutive days, as follows:

- Case Number FE-2009-1690 charged embezzlement occurring on April 28, 2009;
- Case Number FE-2009-1691 charged embezzlement occurring on April 29, 2009; and
- Case Number FE-2009-1692 charged embezzlement occurring on April 30, 2009.

The Warrants of Arrest in the three cases all alleged that Outten:

Wrongfully and fraudulently embezzle[d] US currency, belonging to The Washington Group and having a value of \$200.00 or more, which the accused received by virtue of the accused's office, trust or employment.

On November 9, 2009, Outten appeared in the Fairfax Circuit Court, Fairfax County, Virginia, and pled guilty to embezzlement, as charged, whereupon the Court found her guilty in all three cases.

On January 10, 2010, the Fairfax Circuit Court sentenced Outten to one year incarceration in each of the three cases – the three one-year sentences to run consecutively. The Court then suspended the sentences and placed Outten on probation, requiring Outten to notify any future employer of her conviction as a condition of her probation.

By reason of the foregoing, Outten violated FINRA Conduct Rule 2010.

2. Failure to Respond to Requests for Information

On July 9, 2009, FINRA staff sent a letter to Outten pursuant to FINRA Procedural Rule 8210 ("First Request"). The First Request sought information concerning the allegations in an NASD Rule 3070 filing by Northwestern Mutual, namely that Outten was terminated after she was "arrested for allegedly embezzling money from the network office general account." The First Request was sent by first class and certified mail to Outten's residential address. The First Request sent by first class mail was not returned to FINRA. The Return Receipt card for the First Request sent by certified mail was returned to FINRA. Outten signed the Return Receipt card on July 21, 2009, indicating that she received actual notice of the First Request.

Outten's response to the First Request was due by July 23, 2009. Outten has not responded to date.

On August 24, 2009, FINRA staff sent a second request letter to Outten pursuant to FINRA Procedural Rule 8210 ("Second Request"), requesting the same information as in the First Request. The Second Request was sent to the same address as the First Request, by regular and certified mail. The Second Request sent by first class mail was not returned to FINRA. The Second Request sent by certified mail was returned to FINRA marked "unclaimed."

Outten's response to the Second Request was due by September 7, 2009. Outten

has not responded to date.

Based on the foregoing, Outten violated FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010.

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

- a bar from association with any member firm 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:

- To have a Complaint issued specifying the allegations against me;
- To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- 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
- 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.

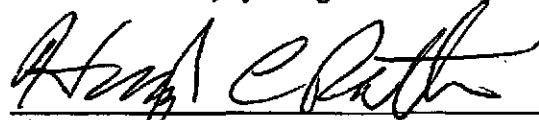
06-07-2010
Date (mm/dd/yyyy)


Erin A. Outten, Respondent

Accepted by FINRA:

June 18, 2010
Date

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


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