

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. ~~2009018794001~~ 2009018794001

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

RE: Beccah Boman, Respondent
CRD No. 1413701

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Beccah Boman ("Boman" or "Respondent") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violation 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.** Respondent hereby accepts and consents, 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

Boman was registered as a General Securities Representative at Century Securities Associates, Inc. (the "Firm") from February 2004 until her termination on July 2, 2009. Subsequently, Boman became registered as a General Securities Representative with Workman Securities Corporation from December 15, 2009 until July 31, 2011. Boman has not been associated with a FINRA regulated broker-dealer since her voluntary termination from Workman Securities Corporation in July 2011. FINRA retains jurisdiction over Boman pursuant to Article V, Section 4(a) of the By-Laws because the AWC was filed within two years after the date upon which she ceased to be associated with a FINRA member, namely, August 1, 2011, and the conduct that serves as the basis of this occurred while she was registered or associated with a FINRA member.

Boman has no prior disciplinary history.

OVERVIEW

Boman engaged in private securities transactions with six individuals in 2004. To date, Boman has failed to repay the principal and interest due certain investors. In 2004, while registered with the Firm as a General Securities Representative, Boman recommended that one her customers and five other individuals invest in a private company Boman Financial Inc. ("BFI"), which was not a Firm approved

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investment. These individuals invested a total of \$114,792 in BFI, all of which was lost. Boman did not give notice to or receive approval from the Firm before participating in these private security transactions. By engaging in private securities transactions, without obtaining the requisite approval from the Firm, Respondent violated NASD Rules 3040 and 2110.

FACTS AND VIOLATIVE CONDUCT

Between July and December 2004, Boman engaged in private securities transactions by recommending that one Firm customer and five other individuals invest in BFI, an investment company she had formed in April 2004. BFI, which was not a Firm approved investment, was described by Respondent as a securities investment company that was owned by Boman and those who would invest in her company. Boman told these individuals that if they invested in BFI for three years, they would receive the greater of a 5% return per year or the return on the shareholder's equity.

Specifically, the investment contracts Boman provided the six investors stated:

"This is a contract between Boman Financial Inc. and (name of investor). (Name of investor), as a (amount of investment) investor in Boman Financial Inc. is to receive the greater of 5% return per year OR the return on shareholders' equity. This will be paid to the shareholder within 30 days of the anniversary date of the contract annually. At the end of three years both (name of investor) as a shareholder and Boman Financial Inc. have the right to renew the contract or terminate the contract and pay back the principal. (Name of investor) will have a seat on the board and one vote."¹

MT became a Firm customer in December 2004 and became Boman's customer in early 2005. In November 2004, Boman recommended that MT invest in BFI and provided MT with an investment contract. Based on Boman's recommendation, MT invested approximately \$10,000 in BFI.

Between July and December 2004, Boman recommended that five other individuals invest in BFI. Boman issued investment contracts to the six investors and based on Boman's recommendation, they invested in BFI as follows:

BC	July 2004	\$25,000
SB	July 2004	\$25,000
MT	November 2004	\$10,000
CS	November 2004	\$3,000
CS	December 2004	\$1,792

¹ In December 2004, the investment contracts were converted into promissory notes that had the same obligations and terms as the original investment contracts.

DF	December 2004	\$25,000
NF	December 2004	<u>\$25,000</u>
		\$114,792

The investment contracts Boman issued to the investors obligated her to pay interest on their principal and repay them within three years or renew their contracts. After July 2007, Boman made no further interest payments on the principal invested by the six investors in BFI. Further, the total principal (\$114,792) invested by the six investors in BFI was lost.

Boman did not give notice to and receive approval from the Firm before recommending the BFI investments to CS, BC, SB, DF, MT and NF or participating in these private securities transactions outside the regular scope of her employment with the Firm.

At the time Boman accepted the investors' funds and issued the investment contracts, she knew that the Firm prohibited its Registered Representatives from engaging in private securities transactions without prior Firm approval.

In addition, Boman incorrectly answered "No" on the Firm's 2005 Annual Compliance Questionnaire that asked Boman the following question:

1. "In the past year, have you engaged in any personal private securities transactions as defined by the NYSE (securities transactions that are typically negotiated directly with an issuer and not through a securities account with a broker-dealer or a bank) that have not been previously approved by Compliance."

Boman violated NASD Rules 3040 and 2110 by engaging in private securities transactions without providing the requisite prior written notification to her Firm

B. Boman also consents to the imposition of the following sanction:

1. A suspension from association with any FINRA member in any capacity for four months;
2. A fine of \$5,000; and
3. An order to pay restitution to the individuals listed on Attachment A hereto in the total amount of \$84,792, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from November 18, 2004 for CS, December 15, 2004 for DF, December 22, 2004 for MT, December 18, 2004 for NF, until the date this AWC is accepted by the NAC. Respondent has agreed to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondent has submitted an Election of Payment form showing the method by which she proposes to pay the fine imposed. Respondent specifically and voluntarily waives any right to claim that she is unable to pay, now or at any time hereafter, the

monetary sanction(s) imposed in this matter.

Respondent shall submit satisfactory proof of payment of restitution or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted to Ronald G. Schwan, One World Financial Center, 200 Liberty Street, 11th Fl., New York, NY 10281-1003 either by letter that identifies Beccah Boman and the case number 2009019064101 and includes a copy of the check, money order or other method of payment or by e-mail, with pdf copies of the payment documentation, to EnforcementNotice@FINRA.org. This proof shall be provided to the FINRA staff member listed above no later than 120 days after acceptance of the AWC.

If for any reason Respondent cannot locate any customer identified in Attachment A after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by a FINRA staff member in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property or abandoned property fund for the state in which the customer is last known to have resided. Respondent shall provide satisfactory proof of such action to the FINRA staff member identified above and in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Respondent understands that if she is barred or suspended from associating with any FINRA member, she becomes 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, Respondent 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

Respondent specifically and voluntarily waives 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 her; and
- C. If accepted:
 - 1. this AWC will become part of her permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against her;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8310 and 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or

- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that she may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

Respondent certifies that she has read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that she has 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 her to submit it.

12/22/11
Date

Beccah Boman
Beccah Boman
Respondent

Reviewed by:
Winthrop & Weinstein, P.A.

By: [Signature]
Philip T. Colton,
a partner

Capella Tower, Suite 3500
225 South Sixth Street
Minneapolis, Minnesota 55402-4629
612-604-6729

Accepted by FINRA:

12/22/11
Date

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

Julia H. Broderick
Julie Han Broderick
Director
FINRA Department of Enforcement
14 Wall Street, 14th Floor
New York, NY 10005
(846) 315-7313 (phone)
(202) 688-3414 (fax)