

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

HARRY DERRICK WINTERS,
(CRD 1844323)

RESPONDENT.

DISCIPLINARY PROCEEDING
No. 20090190424

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From January 2007 through April 2007, Respondent sold to three elderly customers installment plan contracts offered by National Foundation of America ("NFOA"), a Tennessee non-profit corporation that misrepresented itself to the public as an approved 501(c)(3) charitable organization. Pursuant to the installment plan contracts sold by NFOA, investors transferred their ownership of stocks, annuities, real estate or cash to NFOA in exchange for fixed annual or monthly payments over a term chosen by the investor. The three NFOA installment plan contracts sold by Respondent had a combined value of approximately \$322,000. In June 2007, amidst allegations that NFOA directors had used investor funds to pay personal expenses, lease personal vehicles and purchase a condominium, the State of Tennessee placed NFOA in receivership and, later, into liquidation.

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2. Respondent sold the above-referenced NFOA installment plan contracts which are securities without first conducting an adequate due diligence inquiry. Respondent also negligently misrepresented to each customer that they were entitled to receive a tax deduction in connection with their respective NFOA investments which was not true.

3. Respondent sold the first of the three above-referenced NFOA contracts without first providing written notice to and receiving written approval from his FINRA-registered broker dealer employer. Respondent secured a commission from the sale of this first NFOA contract.

4. NFOA represented itself to the public as a charitable organization. In or about January 2006, NFOA submitted its application for Recognition of Exemption under §501(c)(3) of the Internal Revenue Code to the Internal Revenue Service (the "Application"). The Application remained pending until in or about December 2007, when it was denied by the Internal Revenue Service.

5. In connection with the above-referenced sales of the NFOA installment plan contracts, Respondent presented sales materials and advertisements to the three customers that contained misleading and oversimplified descriptions of the NFOA product and lacked any disclosure of market risk.

6. Based on the foregoing, as it relates to Customer HB, Respondent violated: NASD Rule 3040 by participating in a private securities transaction without providing prior written notice to and receiving written authorization from his FINRA-registered broker dealer employer; NASD Rule 2310 by failing to exercise reasonable due diligence and thus lacked reasonable grounds to believe that the NFOA

recommendation was suitable; NASD Rule 2210 by providing a customer with unapproved advertising materials and sales literature containing false and misleading information; and NASD Rule 2110 by failing to observe high standards of commercial honor and just and equitable principles of trade.

7. Alternatively, as to Customer HB, if the NFOA installment plan contracts are found not to be securities, then Respondent violated NASD Rule 3030 by participating in an outside business without first providing prompt written notice to his FINRA-registered broker dealer employer, and NASD Rule 2110 by failing to observe high standards of commercial honor and just and equitable principles of trade.

8. Based on the foregoing, as to Customer OJH and Customers FK and EK, Respondent violated NASD Rules 2310 by failing to exercise reasonable due diligence prior to recommending the NFOA product; NASD 2210 by providing a customer with unapproved advertising materials and sales literature containing false and misleading information; and NASD Rule 2110 by failing to observe high standards of commercial honor and just and equitable principles of trade.

RESPONDENT AND JURISDICTION

9. Harry Derrick Winters ("Winters") entered the securities industry in 1988 as a Registered Representative with a FINRA-registered broker dealer. He has since been associated with six different FINRA-registered broker dealers. Winters obtained a Series 7 securities license and a Series 63 securities license in June 1988 and July 1988 respectively. Both securities licenses were in effect from January 2007 through April 2007 – the time period of the events described herein.

10. From April 2006 through the present, Winters was employed as a registered representative with Fox Financial Management Corp. ("Fox" or the "Firm").

11. Respondent is presently associated with a FINRA-registered broker dealer and remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws.

**FIRST CAUSE OF ACTION (Customer HB Only)
Private Securities Transaction (NASD Rules 3040 and 2110)**

12. The Department realleges and incorporates by reference paragraphs one through 11 above.

13. NASD Rule 3040 requires an associated person to provide written notice to his FINRA-registered broker dealer employer prior to participating in any private securities transaction. The notice must describe in detail the proposed transaction and the person's proposed role therein and state whether he has received or may receive selling compensation in connection with the transaction. In instances in which the associated person may receive or will receive compensation in connection with the private securities transaction, NASD Rule 3040(c) requires members to provide associated persons with written approval or disapproval of the associated person's participation in the private securities transaction.

14. NASD Rule 2110 requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

Customer HB

15. In or about January 2007, Winters solicited and sold an installment plan contract issued by NFOA to his customer HB prior to providing any notice of his

participation in the sales of NFOA installment plan contracts to his FINRA-registered broker dealer employer and obtaining written approval to proceed as required.

16. Customer HB was not a customer of Winters' FINRA-registered broker dealer. At the time, Customer HB was approximately 87 years old.

17. In the course of soliciting the NFOA investment to Customer HB, Winters presented Customer HB with a NFOA Brochure and a NFOA Flyer. The NFOA Brochure and the NFOA Flyer each referenced features of the NFOA investment product including guaranteed income and the availability of a tax deduction.

18. Pursuant to the terms of the NFOA Installment Plan Contract signed by Customer HB on or about January 31, 2007, he exchanged an existing annuity with an accumulated value of approximately \$250,744.25 for a NFOA installment plan contract which promised, after a five-year deferral period, to make 120 monthly installment payments of \$2,687.46 over a ten-year term. Respondent discussed these terms with Customer HB and advised Customer HB that he would also receive a \$50,000 lump sum payment from NFOA in connection to his investment.

19. On or about January 31, 2007, Winters signed the Customer HB NFOA Installment Plan Contract and Agreement as the "Financial Advisor."

20. In or about late January or early February 2007, Winters submitted the Customer HB NFOA installment Plan Contract and Agreement as well as transfer of ownership documents for the exchanged annuity executed by Customer HB to NFOA.

21. The NFOA installment plan contract that Winters sold to customer HB was a security.

22. On or about February 22, 2007, Winters presented to Customer HB a NFOA-prepared illustration. The illustration consisted of a series of documents including a dated cover page identifying Winters as the presenter, an Installment Plan Flow Chart (the "Flow Chart"), and a NFOA Installment Plan 1099 Statement (the "1099 Statement") (collectively, the "Solicitation Documents").

23. The Solicitation Documents indicated that Customer HB's NFOA investment would create a tax deduction of \$73,376 and that his total payout over the life of the NFOA contract would be approximately \$322,494.80. Winters had presented a similar and/or identical set of Solicitation Documents to Customer HB before Customer HB signed the NFOA installment plan contract. On each occasion, Winters discussed the terms specified in the Solicitation Documents with Customer HB.

24. On or about February 22, 2007, Customer HB received from NFOA a check payable to Customer HB in the amount of \$50,000.

25. On or about June 21, 2007, the State of Tennessee placed NFOA in receivership. In September 2007, NFOA was placed into liquidation.

26. In or about June 2007, Customer HB was notified by the State of Tennessee that NFOA had been placed in receivership and that the appointed receiver had custody of its assets and would wind-down NFOA's operations. Customer HB submitted a claim to the Tennessee receiver, seeking the return of principal of his NFOA investment. The claim of Customer HB was approved in the amount of \$233,740.08 and to date he has received disbursements from the Tennessee receiver totaling approximately 83.4% of the approved amount. No additional disbursements are expected.

Commissions

27. Winters received directly from NFOA approximately \$20,130.99 in commissions in connection with his sale of the NFOA installment plan contract to Customer HB.

28. Pursuant to a June 2007 request from the NFOA receiver, Winters returned that sum to the NFOA receivership on or about October 10, 2007.

29. Winters participated in the solicitation and sale of the Customer HB NFOA installment plan contract listed above without providing prior written notice to Fox, his FINRA-registered broker dealer employer.

30. Winters did not obtain written approval from Fox prior to selling the NFOA installment plan contract to Customer HB.

31. The acts, practices and conduct described above constitute a violation of NASD Rules 3040 and 2110.

**SECOND CAUSE OF ACTION (Customer HB Only)
(ALTERNATIVE TO FIRST CAUSE OF ACTION)
Outside Business Activities
(NASD Rules 3030 and 2110)**

32. The Department realleges and incorporates by reference paragraphs one through 31 above.

33. NASD Rule 3030 prohibits any person associated with a member in any registered capacity from accepting employment or accepting compensation from any other person as a result of a business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to the member.

34. Should a determination be made that Winters did not engage in private securities transactions as set forth above, Complainant states, in the alternative, that during January 2007, Winters participated in outside business activities without providing notice to his FINRA-regulated broker dealer employer through his sales of the NFOA installment plan contracts as described above.

35. Winters' solicitation and sale of the NFOA installment plan contract to Customer HB was made outside the scope of his relationship with Fox, his FINRA-registered broker dealer. Accordingly, his participation in the NFOA sales constitutes an outside business.

36. Winters received compensation in the amount of \$20,130.99 as noted above in connection with his sale of the NFOA Installment Plan Contract to Customer HB.

37. Winters participated in the sale of a NFOA Installment Plan Contract and Agreement to Customer HB as listed above without providing written notice to Fox, his FINRA-registered broker dealer employer.

38. The acts, practices and conduct described above constitute a violation of NASD Rules 3030 and 2110.

THIRD CAUSE OF ACTION (As to All Three Customers)
Reasonable Basis Suitability
(NASD Rules 2310 and 2110)

39. The Department realleges and incorporates by reference paragraphs one through 38 above.

40. NASD Rule 2310 requires that in recommending to a customer the purchase, sale or exchange of any security, a member shall have reasonable grounds for

believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs.

41. NASD Rule 2310 also encompasses "reasonable basis" suitability which requires a broker to have an adequate and reasonable basis for any recommendation that he makes. The "reasonable basis" test relates only to the particular recommendation, rather than to the particular customer.

Respondent's Additional NFOA Sales

42. In or about February 2007, Winters provided to Fox oral notification of his participation in the sale of NFOA installment plan contracts. Thereafter, Respondent sold NFOA installment plan contracts to two other customers as described below.

Customer OJH

43. From in or about January 2007 through March 2007, Winters solicited and sold an installment plan contract issued by NFOA to his customer OJH. Customer OJH was not a customer of Winter's FINRA-registered broker dealer. At the time, Customer OJH was approximately 73 years old.

44. In the course of soliciting the NFOA investment to Customer OJH, Winters presented Customer OJH with a NFOA Brochure and a NFOA Flyer similar to the ones he presented to Customer HB.

45. In the course of soliciting and selling a NFOA installment plan contract to Customer OJH, on or about March 5, 2007, Winters also presented Customer OJH with a set of Solicitation Documents identifying Winters as the presenter.

46. The above-referenced Customer OJH Solicitation Documents indicated that he could exchange an existing annuity with an accumulated value of approximately \$12,608 for a NFOA installment plan contract which promised to make 60 payments of \$200 during a five-year, non-deferred period and to create a tax deduction of \$3,568. The total payout over the life of the contract was represented to be approximately \$12,000. Respondent discussed these terms with Customer OJH and advised Customer OJH that he would also receive a \$12,000 lump sum payment from NFOA as part of the installment plan contract.

47. In or about March 6, 2007, Customers OJH signed a NFOA Installment Plan Contract and Agreement that contained his identifying information, identified the "type of asset" as an "annuity exchange" and indicated that "payments" would be "immediate." The contract also listed "Detail of Assets" as "60 mos./\$200." The contract did not contain the value of the transferred annuity.

48. In or about March 6, 2007, Winters signed the Customer OJH NFOA Installment Plan Contract and Agreement as the "Financial Advisor."

49. In or about March 2007, Winters submitted the Customer OJH NFOA installment Plan Contract and Agreement as well as transfer of ownership documents for the exchanged annuity executed by Customer OJH to NFOA.

50. The NFOA installment plan contract that Winters sold to Customer OJH was a security.

51. On or about March 8, 2007, NFOA forwarded a letter to the insurance company that held Customer OJH's existing annuity attaching the executed transfer of

ownership documents and requesting that ownership of the annuity be transferred to NFOA.

52. On or about April 11, 2007, NFOA and/or Winters delivered to Customer OJH a second set of Solicitation Documents which indicated that Customer OJH could exchange an existing annuity with an accumulated value of approximately \$11,977 for a NFOA installment plan contract which promised to make 60 payments of \$203.41 during a five-year, non-deferred period and to create a tax deduction of \$2,783. The total payout over the life of the contract was represented to be approximately \$12,204.72.

53. Ownership of Customer OJH's existing annuity never transferred to NFOA.

54. Winters did not receive a commission payment in connection with his sale of a NFOA Installment Plan Contract and Agreement to Customer OJH.

Customers FK and EK

55. From in or about January through April 2007, Winters solicited and sold an installment plan contract issued by NFOA to his customers FK and EK. Customers FK and EK were not customers of Winter's FINRA-registered broker dealer. At the time, Customers FK and EK were approximately 71 years old.

56. Customers FK and EK transferred an existing annuity with a total accumulated value of \$59,136.46 for a NFOA Installment Plan Contract.

57. In the course of soliciting the NFOA investment to Customers FK and EK, Winters presented Customer FK and EK with a NFOA Brochure and a NFOA Flyer similar to the ones he presented to Customer HB and Customer OJH.

58. In the course of soliciting and selling a NFOA installment plan contract to Customers FK and EK, on or about April 25, 2007, Winters also presented Customers FK and EK with a set of Solicitation Documents identifying Winters as the presenter.

59. The above-referenced Customer FK and EK Solicitation Documents indicated that they could exchange an existing annuity with an accumulated value of approximately \$59,136.46 for a NFOA installment plan contract which, after a seven-year deferral period promised to make 36 payments of \$2,222.94 during a three-year term and to create a tax deduction of \$11,716. The total payout over the life of the contract was represented to be approximately \$80,025.76. Respondent discussed these terms with Customers FK and EK.

60. In or about April 26, 2007, Customers FK and EK signed a NFOA Installment Plan Contract and Agreement that contained their identifying information, identified the "type of asset" as an "annuity exchange" and indicated that "payments" were "flex deferred." The contract further indicated the "deferred years" as "7" and the "term of years" as "3." The contract did not contain the value of the transferred annuity.

61. In or about April 26, 2007, Winters signed the Customer EK and FK NFOA Installment Plan Contract and Agreement as the "Financial Advisor."

62. In or about April 26, 2007, Winters submitted the Customer FK and EK Installment Plan Contract and Agreement as well as transfer of ownership documents for the exchanged annuity executed by Customers FK and EK to NFOA.

63. The NFOA installment plan contract that Winters sold to Customers FK and EK was a security.

64. On or about April 30, 2007, NFOA forwarded a letter to the insurance company that held Customer FK and EK's existing annuity attaching the executed transfer of ownership documents and requesting that ownership of the annuity be transferred to NFOA.

65. Ownership of the Customer FK and EK existing annuity never transferred to NFOA.

66. Winters did not receive a commission payment in connection with his sale of a NFOA Installment Plan Contract and Agreement to Customers FK and EK.

Lack of Due Diligence

67. The NFOA Installment Plan Contract and Agreements sold by Winters to Customer HB, Customer OJH and Customers FK and EK stated that NFOA was recognized by the IRS as a charitable non-profit organization under Section 501(c)(3) of the Internal Revenue Code.

68. Prior to soliciting and selling the NFOA installment plan contracts to Customer HB, Customer OJH and Customers FK and EK as described above, Winters failed to confirm that NFOA had been approved by the United States Internal Revenue Service ("IRS") as a tax exempt non-profit organization under §501(c)(3) of the Internal Revenue Code.

69. Had he done so, Winters would have learned that NFOA's application for status as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code had not been granted by the Internal Revenue Service and remained pending.

70. The NFOA Brochure and the NFOA Flyer represented that NFOA investors would be entitled to a tax deduction in connection to their NFOA investment.

Winters also made that representation to Customer HB, Customer OJH and Customers FK and EK.

71. Under the United States Internal Revenue Code, individuals who invest in products issued by purported charitable organizations whose application for tax exempt status is pending before the IRS cannot avail themselves of the related tax benefits during the pendency of such application.

72. Prior to soliciting and selling the NFOA installment plan contracts as described above, Winters failed to inquire or otherwise obtain information concerning the availability of a tax deduction to NFOA investors under §501(c)(3) of the Internal Revenue Code.

73. Had he done so, Winters would have learned that the touted tax deduction would not be available to his customers unless and until NFOA's application for tax exempt status under §501(c)(3) of the Internal Revenue Code was approved, which it was not at the time of his referenced sales.

74. The NFOA Brochure and the NFOA Flyer indicates that investors will receive guaranteed income in connection with a NFOA investment. Winters also made that representation to Customer HB, Customer OJH and Customers FK and EK.

75. NFOA investor funds were typically deposited in custodial accounts held by SEI Private Trust Company in the name of NFOA. The investments made in these accounts included, among other things, various mutual funds, individual stocks and American Depository Receipts of foreign issuers which were subject to market risk.

76. Prior to soliciting and selling the NFOA installment plan contracts as described above, Winters failed to determine the manner in which the funds of his

NFOA customers would be invested and the identity of the person(s) or entities responsible for the management of such funds.

77. Had he done so, Winters would have learned that funds invested in NFOA were subject to market risk.

78. On or about September 18, 2006, prior to Winters' NFOA sales, the State of Washington issued a Cease & Desist Order against NFOA and two of its officers directing NFOA and its officers to cease engaging in or transacting the unauthorized business of insurance and to cease advertising purportedly charitable contracts and annuities, among other things. The State of Washington posted this Cease & Desist Order on its website on or about September 18, 2006.

79. Prior to soliciting and selling the NFOA installment plan contracts as described above, Winters failed to conduct adequate research, on the internet or otherwise, to learn of the Cease & Desist Order issued by the State of Washington.

80. Had he done so, Winters would have become aware of the Cease & Desist order issued by the State of Washington.

81. Had he conducted reasonable due diligence concerning NFOA, Winters would have learned the facts as identified in paragraphs 67 to 80 above.

82. Based on the foregoing, Winters lacked an adequate and reasonable basis for making the NFOA recommendation to his customers.

83. The acts, practices, conduct and omissions described above constitute separate and distinct violations of NASD Rules 2310 and 2110.

FOURTH CAUSE OF ACTION (As to All Three Customers)
Misrepresentations
(NASD Rule 2110)

84. The Department realleges and incorporates by reference paragraphs one through 83 above.

85. In soliciting the sales of NFOA installment plan contracts to Customer HB, Customer OJH and Customers FK and EK Winters represented to each customer that NFOA was a tax exempt charitable organization under §501(c)(3) of the Internal Revenue Code.

86. Winters lacked an adequate basis to make the above-referenced representations, which were not true.

87. In soliciting the sales of NFOA installment plan contracts to Customer HB, Customer OJH and Customers FK and EK, Winters represented to the customers that they were entitled to receive a tax deduction/benefit in connection with their respective investments.

88. Winters lacked an adequate basis to make the above-referenced representations, which were not true.

89. The above-referenced misrepresentations are material as the tax-exempt status of NFOA and the resulting tax benefits would be considered significant by a reasonable investor considering the NFOA product.

90. The acts, practices and conduct described above constitute separate and distinct violations of NASD Rule 2110.

**FIFTH CAUSE OF ACTION (As to All Three Customers)
Distributed Misleading Advertising and Sales Materials
(NASD Rules 2210(d)(1)(A), 2210(d)(1)(B) and 2110)**

91. The Department realleges and incorporates by reference paragraphs one through 90 above.

92. Pursuant to NASD Rule 2210(d)(1)(A), all member communications with the public must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating facts in regard to any particular security or type of security.

93. NASD Rule 2210(d)(1)(B) prohibits members from making any false, exaggerated, unwarranted or misleading statement or claim in any communication with the public.

The NFOA Brochure

94. In the course of soliciting the NFOA investments of Customers HB, Customer OJH and Customers FK and EK, Winters presented each customer with an NFOA Brochure and an NFOA Flyer. The NFOA Brochure and Flyer are Advertisements under NASD Rule 2210(a)(1).

95. The NFOA Brochure represented that its asset exchange programs provided a "generous income tax deduction" and "guaranteed income that grows each year." The NFOA Brochure further represented that the "safety and security" of its assets was paramount to NFOA. The NFOA Brochure lacked any disclosure that investor assets were subject to market risk.

The NFOA Flyer

96. The NFOA Flyer provided examples of the NFOA investments relative to the transfer of different assets, including real estate, annuity and securities exchanges.

97. The NFOA Flyer contains repeated references to the "guaranteed income" and "income tax deductions" associated with the NFOA investment.

98. Customers who invested in NFOA were not entitled to take a tax deduction. All references in the NFOA Brochure and the NFOA Flyer to the availability of a tax deduction related to a NFOA investment were false and misleading and failed to present a fair and balanced view of the NFOA product.

99. References in the NFOA Brochure and the NFOA Flyer to "guaranteed income" were oversimplified and misleading without clear disclosure of the basis and criteria of the guarantee.

100. Investor funds received by NFOA were subjected to financial abuse. References in the NFOA Brochure to the "safety and security" of assets were false and misleading and failed to present a fair and balanced view of the NFOA product.

The Solicitation Documents

101. Winters presented NFOA-prepared illustrations to Customers HB, Customer OJH and Customers FK and in the course of soliciting the sales of NFOA installment plan contracts.

102. The illustrations consisted of a series of documents including a dated cover page identifying Winters as the presenter, an Installment Plan Flow Chart (the "Flow Chart"), and a NFOA Installment Plan 1099 Statement (the "1099 Statement")

(collectively, the "Solicitation Documents"). The Solicitation Documents are Sales Literature under NASD Rule 2210(a)(2).

103. The Flow Chart Winters presented to Customer HB, Customer OJH and Customers FK and EK graphically depicted the terms of each customer's proposed NFOA installment plan contract. Specifically, the Flow Charts Winters presented to Customer HB, Customer OJH and Customers FK and EK provided the total payout amount each customer would receive over the life of the contract and estimated the allowable tax deduction and allowable tax savings each customer would be entitled to in connection with their respective investments.

104. The Flow Charts Winters showed to Customer HB, Customer OJH and Customers FK and EK also represented that each would receive a total payout equal to or in excess of their initial proposed investment over the payment term.

105. The Flow Charts Winters presented to Customer HB, Customer OJH and Customers FK and EK failed to reflect that the total payout amount included a return of principal, did not specify a rate of return and failed to explain the basis for any of its calculations. These omissions provided an oversimplified and exaggerated description of investment returns and failed to present a fair and balanced view of the NFOA product.

106. Winters also presented a 1099 Statement to Customer HB, Customer OJH and Customers FK and EK which was specific to each customer's proposed investment. The 1099 Statements detailed the number and amount of scheduled payments that each customer would receive in exchange for the transferred asset and listed that portion of the annual payment which was to be "reported as tax free" and that portion which was to be reported as "ordinary income."

107. The 1099 Statement column entitled "reported as tax free" created the false impression that the column represented tax-free income.

108. The acts, practices and conduct described above constitute separate and distinct violations of NASD Rules 2210(d)1(A), 2210(d)1(B) and 2110.

SIXTH CAUSE OF ACTION
Distributed Unapproved Advertising and Sales Materials
(NASD Rules 2210(b)(1) and 2110)

109. The Department realleges and incorporates by reference paragraphs one through 108 above.

110. NASD Rule 2210(b)(1) requires each item of advertising and sales material to be approved by a registered principal prior to its use.

111. Winters did not present the NFOA Brochure that he showed to Customer HB to a registered principal of his FINRA-regulated broker dealer employer for review and approval prior to showing them to Customer HB in connection to his sales of the NFOA installment plan contracts.

112. Winters did not present the Solicitation Documents that he presented to Customer HB, Customer OJH and Customers FK and EK to a registered principal of his FINRA-regulated broker dealer employer for review and approval prior to showing them to Customer HB, Customer OJH and Customers FK and EK in connection with his sales of the NFOA installment plan contracts.

113. The acts, practices and conduct described above constitute separate and distinct violations of NASD Rule 2210(b)(1) and 2110.

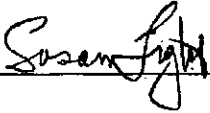
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions be imposed, including that the Respondent be required to make full and complete restitution, together with interest.
- B. order that the Respondent bear such costs of proceedings as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: 4/4/11



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