

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100231383-01**

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

RE: David Waldemar Asplund, Jr., Respondent
General Securities Representative
CRD No. 2803177

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

David Waldemar Asplund, Jr. entered the securities industry in April 1996 as an associated person of a FINRA member firm. He became registered as an Investment Company / Variable Contracts Representative in October 1996. From January 29, 1998, until June 22, 2010, he was registered through FSIC ("the Firm"), initially as an Investment Company / Variable Contracts Representative and, beginning January 4, 1999, as a General Securities Representative. He is not currently registered or associated with a FINRA member firm.

On June 22, 2010, the Firm filed a Uniform Termination Notice for Securities Registration ("Form U5") on behalf of Respondent Asplund, disclosing that his registration had been terminated on June 21, 2010. On January 11, 2011, the Firm filed an Amended Form U5 on behalf of Respondent Asplund, disclosing that the State of Washington Department of Financial Institutions, Securities Division,

had initiated an investigation into possible violations of securities laws and regulations by Respondent Asplund.

DISCIPLINARY HISTORY

Respondent Asplund has not been the subject of prior disciplinary action by FINRA or its predecessors. On February 1, 2012, the State of Washington Department of Financial Institutions, Securities Division, entered Findings of Fact, Conclusions of Law and a Final Order to Cease and Desist against Respondent Asplund. The Findings stated that Respondent Asplund had borrowed \$40,000 from a customer; had accepted gifts, entered into a personal financial transaction, and acted as attorney-in-fact and trustee for another customer; had failed to amend his Uniform Application for Securities Industry Registration or Transfer ("Form U4") to disclose that he served as the customer's co-trustee; and had filed misleading Amended Forms U4 which did not disclose his role as a co-trustee. It imposed a fine of \$30,000, ordered that Respondent Asplund cease and desist from making false or misleading statements in documents filed with the Securities Division, and ordered that any future securities registration applications by Respondent Asplund be denied.

OVERVIEW

David Waldemar Asplund, Jr. obtained loans from customers without complying with his employer firm's applicable procedures, failed to provide prompt written notice to his employer firm regarding outside business activities, and failed to amend his Form U4 to disclose an unsatisfied judgment against him.

FACTS AND VIOLATIVE CONDUCT

1. Loans From Customers

The Firm's written supervisory policies and procedures required that a registered person make a written request to its Chief Compliance Officer and obtain the Firm's written approval before borrowing money from his or her customer, unless the customer was a member of the registered person's immediate family or was in the business of lending money.

In the summer of 2005, Respondent Asplund borrowed \$20,000 from his customer KF. KF was not a member of Respondent Asplund's immediate family and was not in the business of lending money. Respondent Asplund did not seek or obtain the Firm's written approval before obtaining the loan. He subsequently repaid the loan.

On July 7, 2006, Respondent Asplund borrowed \$20,000 from KF. He did not seek or obtain the Firm's written approval before obtaining the loan. Respondent Asplund has repaid a portion of the loan.

In or about late December 2008, Respondent Asplund borrowed \$10,000 from his customer SK. SK was not a member of Respondent Asplund's immediate family and was not in the business of lending money. Respondent Asplund did not seek or obtain the Firm's written approval before obtaining the loan. He subsequently repaid the loan.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2370 by Respondent Asplund. During the period before December 15, 2008, such conduct was inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of NASD Conduct Rule 2110 by Respondent Asplund. During the period on and after December 15, 2008, such conduct was inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of FINRA Rule 2010 by Respondent Asplund.

2. Outside Business Activities

During the period from July 2003 until June 2010, Respondent Asplund engaged in outside business activities without providing prompt written notice to his employer broker/dealer, the Firm. Beginning in July 2003, he owned and operated Ditto Enterprises, LLC, a company that renovated and resold homes. Beginning in January 2004, he was employed by Heath Diesel, Inc., a company that performed performance upgrades on diesel engines. Respondent Asplund did not provide written notice to the Firm regarding his business activities with Ditto Enterprises, LLC or Heath Diesel, Inc.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3030 by Respondent Asplund. During the period before December 15, 2008, such conduct was inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of NASD Conduct Rule 2110 by Respondent Asplund. During the period on and after December 15, 2008, such conduct was inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of FINRA Rule 2010 by Respondent Asplund.

3. Failure to Amend Form U4

On or about July 28, 2008, Respondent Asplund submitted an Amended Form U4 through the Firm. Question No. 14M of the Form U4 asked, "Do you have any

unsatisfied judgments or liens against you?" In response to Question No. 14M, Respondent Asplund correctly answered, "No."

On or about April 25, 2008, the Administratrix of the Estate of LCF, a customer of the Firm and Respondent Asplund, filed a Petition for Declaration of Rights in the Superior Court of Washington for King County, requesting that Respondent Asplund be ordered to render an account to the estate, disclose any loans LCF had made to him, and disclose what had become of the proceeds of the sales of LCF's home.

On or about April 17, 2009, pursuant to a settlement between Respondent Asplund and the Estate of LCF, the Superior Court entered an Order Enforcing Settlement, which incorporated a judgment against Respondent Asplund in the amount of \$115,502.67. On or about May 15, 2009, the judgment was partially satisfied in the amount of \$90,000. The entry of the judgment caused Respondent Asplund's previous "no" answer to Question No. 14M on the Amended Form U4 submitted on or about July 28, 2008, to become inaccurate, and it gave rise to an obligation to submit an amendment to the Form U4 with a "yes" answer to Question No. 14M.

During the period from May 17, 2009, to June 22, 2010, Respondent Asplund failed to amend his Form U4 to disclose that there was an unsatisfied judgment against him.

Based on such acts, practices and conduct during the period before August 17, 2009, Respondent Asplund acted in contravention of Article V, Section 2(c) of the FINRA By-Laws and in violation of NASD IM-1000. Based on such acts, practices and conduct during the period on and after August 17, 2009, Respondent Asplund acted in contravention of Article V, Section 2(c) of the FINRA By-Laws and in violation of FINRA Rule 1122. Such conduct was inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of FINRA Rule 2010 by Respondent Asplund.

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

David Waldemar Asplund, Jr. shall be suspended from associating with any member of FINRA in any capacity for a period of nine months.

On January 26, 2012, Respondent Asplund filed a Chapter 13 bankruptcy petition pursuant to Title 11, United States Code. Accordingly, no monetary sanction is being assessed in this matter.

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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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.

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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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 [the Firm] to submit it.

04/11/2012
Date (mm/dd/yyyy)

David Waldemar Asplund, Jr.
David Waldemar Asplund, Jr.
Respondent

Accepted by FINRA:

June 1, 2012
Date

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

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