

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010024418901**

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

RE: Eric A. Stewart, Respondent
Respondent Registered Representative
CRD No. 4893894

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Eric Stewart ("Stewart" or "Respondent") 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

In December 2004, Stewart entered the securities industry as an Investment Company and Variable Contracts Products Representative at a FINRA-registered firm. In February 2006, Stewart became registered in the same capacity with Ameriprise Finance Services, Inc. ("AFSP"), a FINRA-registered firm. In March 2006, Stewart became registered as a General Securities Representative with AFSI. Since that time, he has remained registered with AFSI in both capacities. Stewart had no prior disciplinary history.

OVERVIEW

Stewart allowed non-public personal, confidential information located on his business laptop computer to come into possession of a non-affiliated third party, in violation of NASD Rule 2110 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

1. In or around 2006, Stewart began using his business laptop computer in connection with brokerage services he provided to his customers at AFSI.
2. Prior to using his business computer at AFSI, Stewart had certain software and encryption protection installed on said computer. Additionally, Stewart was provided with a key fob device that required him to enter a password to gain access to his customer's confidential information.
3. At some undetermined point in time, Stewart downloaded documents containing non-public personal, confidential information ("PCI") involving a few of his customers to his laptop. This PCI was not subject to the software system and encryption protection system.
4. Specifically, the PCI contained in those documents included the following: social security numbers, account numbers, birthdates, net worth, account balances, gross income, itemized cash flow, life insurance policy numbers and pension and social security benefits.
5. In or about April 2011, Stewart's former domestic partner and former customer, BM, notified FINRA that she was in possession of the laptop and that it contained certain PCI.
6. FINRA staff subsequently acquired the laptop, analyzed its contents and determined that it did, in fact, contain PCI related to several of the firm's customers.
7. During all relevant times, the firm's procedures provided that a registered representative must take certain precautions when using his laptop to ensure the confidentiality and security of client information and records. Among other requirements, the procedures provided that a laptop must be secured when not in a representative's possession, that it be "properly disposed of or repurposed when no longer used for AFSI business purposes" and that all client information contained on the laptop's hard drive be erased.
8. Stewart failed to take the necessary precautions to ensure the confidentiality and security of client information.
9. By reason of the foregoing, Stewart violated NASD Rule 2110 and FINRA Rule 2010. Specifically, Stewart was in violation of NASD Rule 2110 prior to December 15, 2008, and FINRA Rule 2010 after that date.

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

A \$5,000 Fine.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) 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 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: (i) testimonial obligations; or (ii) 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 to submit it.

12/13/13
Date

E. Stewart
Eric Stewart

Reviewed by:

[Signature]
Adam Prochaska, Esq.
Counsel for Respondent
Harding & Shultz
121 South 13th Street
Lincoln, NE 68501
(402) 434-3000

Accepted by FINRA:

1/9/14
Date

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

[Signature]
Richard A. March
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