

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20100249455-01**

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Joshua Daniel Gould, Respondent
CRD No. 4617397

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Joshua Daniel Gould, ("Gould 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

Gould was registered with FINRA member firms from 2002 until November 2, 2010, when his most recent employer firm filed a Form U5 terminating his registration. He is not currently associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of FINRA's By-Laws. Gould has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. During the period December 2002 until November 2, 2010, Gould was registered with three different FINRA-member firms. Gould also has been associated with an insurance agency in St. Louis, Missouri, since 2004. He is an appointed insurance agent with several insurance companies.

Gould converted at least \$1,315,000 from at least 17 customers (Violations of NASD Rules 2110 and 2330(a) and FINRA Rules 2010 and 2150(a))

2. Beginning in the middle of 2008 and continuing through September 2010, Gould converted more than \$1,315,000 from at least nine customers who previously had purchased annuities from Gould. In addition, Gould converted additional funds from at least eight other customers' brokerage accounts.
3. Gould unlawfully converted funds from his customers' annuities by, among other deceptive means and devices, convincing his customers to sign blank annuity withdrawal request forms. Gould subsequently completed the withdrawal request forms with instructions to the insurance companies to transfer his customers' funds to a bank account held in the name of Pacific Mutual Alliance, a company owned and controlled by Gould. In some instances, the withdrawal request forms contained a Medallion signature guarantee,¹ which Gould improperly obtained.
4. By way of example, Gould used a withdrawal request form dated September 27, 2010, which contained customer FM's signature, to take a partial withdraw of \$160,000 from FM's annuity held at an insurance company. Pursuant to the falsified withdrawal request form, the money was then wired by the insurance company to the Pacific Mutual Alliance bank account. Customer FM neither knew about nor authorized the withdrawal of the funds from his annuity.
5. In addition, between January 2010 and September 2010, Gould converted funds from at least eight other unsuspecting annuity customers:
 - a. In January 2010, and again in April 2010, Gould used two withdrawal request forms, which contained customer JH's signature, to direct an insurance company to transfer a total of \$120,000 from JH's annuity to Gould's Pacific Mutual Alliance bank account.
 - b. In March 2010, Gould used a withdrawal request form, which contained the signature of WN, to direct the full withdrawal of funds from WN's annuity to Gould's Pacific Mutual Alliance bank account.
 - c. In June, July and again in August 2010, Gould used three withdrawal request forms, which contained customer DS's signature, to direct an insurance company to transfer a total of \$195,000 from DS's annuity to Gould's Pacific Mutual Alliance bank account.
 - d. In July 2010, Gould used a withdrawal request form, which contained customer NA's signature, to direct an insurance company to transfer \$190,000 from NA's annuity to Gould's Pacific Mutual Alliance bank account.

¹ That is, a special signature guarantee for the sale or transfer of certain property.

- e. In August 2010, Gould used a withdrawal request form, which contained customer MM's signature, to direct an insurance company to transfer \$220,000 from MM's annuity to Gould's Pacific Mutual Alliance bank account.
 - f. In September 2010, Gould used a withdrawal request form, which contained customer LB's signature, to direct an insurance company to transfer \$110,000 from LB's annuity to Gould's Pacific Mutual Alliance bank account.
 - g. In September 2010, Gould used a withdrawal request form, which contained customer GB's signature, to direct an insurance company to transfer \$100,000 from GB's annuity to Gould's Pacific Mutual Alliance bank account.
 - h. Twice in May 2010, and again in September 2010, Gould used withdrawal request forms, which contained HL's signature, to direct an insurance company to transfer a total of \$220,000 from HL's annuity to Gould's Pacific Mutual Alliance bank account.
- 6. Gould also unlawfully converted customer funds from the brokerage accounts of at least eight other customers by, among other deceptive means and devices, improperly transferring funds from their brokerage accounts to the Pacific Mutual Alliance bank account owned and controlled by Gould.
 - 7. In the instances described above in paragraphs four through six, the customers either did not authorize or were not aware of the conversion resulting from the transfer of funds from their annuities and brokerage accounts to Gould's Pacific Mutual Alliance bank account.
 - 8. Gould used the unlawfully converted funds from the annuities and brokerage accounts of his unsuspecting customers to pay for his own personal and business expenses. None of the customers were aware that Gould was withdrawing funds from their annuities and brokerage accounts for his own personal use.
 - 9. By converting and making improper use of his customers' funds, Gould violated NASD Rule 2330(a) (for misconduct before December 14, 2009), FINRA Rule 2150(a) (for misconduct beginning December 14, 2009), NASD Rule 2110 (for misconduct before December 15, 2008), and FINRA Rule 2010 (for misconduct beginning December 15, 2008).

Gould falsified documents in order to convert funds from customer annuities and brokerage accounts for his personal use (Violations NASD Rule 2110 and FINRA Rule 2010)

- 10. On numerous occasions commencing in the middle of 2008 and continuing through September 2010, including many of the instances described above in paragraphs four through six, Gould falsified documents to make it appear that

customers had authorized the transfer of funds from their annuities and brokerage accounts to a bank account over which Gould had control. In some instances, Gould effectuated these transfers by convincing customers to sign withdrawal request forms, some of which were blank when signed.

11. By falsifying annuity withdrawal request forms and other documents, Gould, in the conduct of his business, failed to observe high standards of commercial honor and just and equitable principles of trade in violation of NASD Rule 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct beginning December 15, 2008).

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

A bar in all capacities from associating with any FINRA member.

I understand that if I am barred 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 (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 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:

- 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

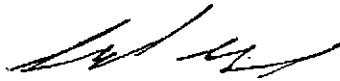
I understand that:

- 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

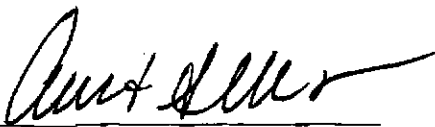
brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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.

2/9/11
Date


Joshua Daniel Gould

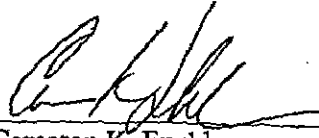
Reviewed by:


Albert S. Watkins, Esq.
Counsel for Joshua Daniel Gould

Accepted by FINRA:

3/14/11
Date

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


Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection
and Market Intelligence