

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011029981102**

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

RE: Blake A. Burkhart, Respondent
Investment Company and Variable Contracts Products Representative
CRD No. 5017154

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

Burkhart entered the securities industry in August 2005, when he was employed by Northwestern Mutual Investment Services, LLC ("Northwestern"). Burkhart was registered as an investment company and variable contracts products representative in January 2006. Burkhart remained with Northwestern until September 2011. Burkhart is not currently associated with a FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

The Oklahoma Securities Division filed a settlement agreement on September 27, 2012. In the settlement agreement, Burkhart agreed not to transact business in [Oklahoma] as a broker-dealer, agent, investment advisor, and/or investment advisor representative, as those terms are defined in Section 1-102 of the Act.

OVERVIEW

Burkhart submitted inaccurate order tickets to his FINRA member firm in that he marked order tickets as unsolicited when they should have been marked solicited. As a result, Burkhart caused his FINRA member firm to maintain inaccurate books and records, in violation of NASD Conduct Rule 3110 and FINRA Rule 2010. Burkhart also failed to respond to FINRA's requests for information in a timely manner, in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Falsification of Order Tickets

NASD Conduct Rule 3110(a) requires that each member shall make and preserve books and records as prescribed by Section 17 of the Securities Exchange Act of 1934 ("SEA") and SEA Rules 17a-3 and 17a-4, thereunder. SEA Rule 17a-3(a)(6) obligates a firm to mark order tickets with the "terms and conditions of the order or instructions," presumably including whether the order was solicited or unsolicited. General Provision Rule 115 provides that a person associated with a member has the same duties and obligations as the member firm. FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade.

On August 8, 2011 and August 9, 2011, Burkhart submitted 24 order tickets to liquidate mutual fund positions in 10 accounts involving six customers. Each order ticket was marked as "unsolicited," and included the notation "client called and wanted to move out of fund." In fact, Burkhart recommended the sales but inaccurately marked the order tickets as unsolicited. By inaccurately marking the order tickets as "unsolicited," when they were solicited, Burkhart caused his employing FINRA member firm's books and records to be inaccurate in contravention of SEA Rule 17a-3.

As a result of the foregoing conduct, Burkhart violated NASD Conduct Rule 3110 and FINRA Rule 2010.

Failure to Timely Respond

During the course of FINRA's investigation, FINRA sought a detailed explanation from Burkhart regarding the disclosures listed on his Form U5 filed by Northwestern.

On May 22, 2012, FINRA sent Burkhart a letter, pursuant to FINRA Rule 8210, requesting a detailed written statement regarding the subject order tickets. The letter requested that Burkhart provide the information no later than June 5, 2012. A receipt for the May 22, 2012 letter sent by certified mail to Burkhart's alternate address was returned and appears to be signed by Burkhart. Burkhart failed to provide the requested information by the June 5, 2012 deadline.

On June 8, 2012, FINRA sent Burkhart another letter requesting that, pursuant to FINRA Rule 8210, he provide a detailed written statement regarding the subject order tickets. The June 8, 2012 letter requested that Burkhart provide the information no later than June 22, 2012. A receipt for the June 8, 2012 letter sent by certified mail to Burkhart's alternate address was returned and appears to be signed by Burkhart. Burkhart failed to provide the requested information by the June 22, 2012 deadline.

On February 11, 2013, Burkhart was issued a Notice of Suspension stating that if he failed to respond by March 7, 2013, then he would be suspended from associating with any FINRA member firm in all capacities. On March 5, 2013, Burkhart responded to the Notice of Suspension. Burkhart acknowledged that he received FINRA's request letters and that he had not responded to FINRA's requests, but indicated that he confused FINRA's requests with an ongoing parallel investigation by a state securities division. Burkhart provided the requested written statement after receipt of the Notice of Suspension. Burkhart thus failed to timely respond to FINRA's requests pursuant to FINRA Rule 8210.

As a result of the foregoing conduct, Burkhart violated FINRA Rules 8210 and 2010.

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

- A \$15,000 fine; and
- A fifteen-month suspension from association with any FINRA member firm in all capacities.

The fine shall be due and payable either immediately upon reassociation with a member firm following the fifteen-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed 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: (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.

Date

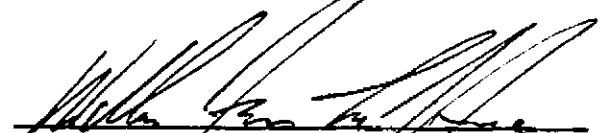
8-22-2013

Blake A. Burkhart, Respondent

Accepted by FINRA:

9/11/13
Date

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


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