

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012031184601**

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

RE: Daniel Edmund Walsh (CRD No. 1260601)
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Daniel Edmund Walsh ("Walsh" 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

On June 17, 1985, Walsh first became registered with FINRA as a General Securities Representative. Thereafter, from June 13, 2008 to January 23, 2012, he was registered in that same capacity through Securities America, Inc. (BD No. 10205) ("SAI" or the "Firm"). On January 27, 2012, SAI filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Walsh was permitted to resign for failing to disclose reportable events on his Form U4 and failure to follow firm policies and procedures relating to the submission of business and the sale of non-approved products.

From September 10, 2012 to October 5, 2013, Walsh was registered in that same capacity through another member firm. On October 7, 2013, that firm filed a Form U5 regarding Walsh's termination. The filing stated that his termination was voluntary. His last date of employment was October 5, 2013.

Walsh is not currently registered or associated with any member firm. Walsh remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Walsh does not have any relevant disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FACTS AND VIOLATIVE CONDUCT

1. Outside Business Activities (NASD Conduct Rules 3030 and 2110 and FINRA Rules 3270 and 2010)

From approximately January 2008 through October 2011, while associated with SAI, Walsh sold approximately 124 Equity Indexed Annuities ("EIAs") to 67 investors, nine of whom were customers of the Firm, outside the scope of his employment with SAI without providing SAI prior written notice of the business activity. The investors purchased EIAs totaling about \$4,937,000, and Walsh received approximately \$123,425 in compensation.

By reason of the foregoing, Walsh violated NASD Conduct Rules 3030 (for conduct before December 15, 2010) and 2110 (for conduct before December 15, 2008) and FINRA Rules 3270 (for conduct after December 14, 2010) and 2010 (for conduct after December 14, 2008).

2. Impersonating a Customer (FINRA Rule 2010)

On May 14, 2009, while he was associated with SAI, Walsh arranged for LC, a non-registered person, to impersonate CB, a prospective EIA investor, during a telephone call with another member firm (Firm 2) regarding a request to expedite CB's transfer of funds to purchase an EIA. The purchase of the EIA was previously authorized by CB. The transfer did not occur after the impersonation was detected by Firm 2 and CB ultimately did not invest in the EIA with Walsh.

By reason of the foregoing, Walsh violated FINRA Rule 2010.

3. Failure to Amend Form U4 (FINRA Rules 1122 and 2010, and FINRA By-Laws Article V, Section 2(c))

Article V, Section 2(c) of FINRA's By-Laws requires that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments. It further provides that such amendments shall be filed not later than 30 days after learning of the facts or circumstances giving rise to the amendment. In addition, FINRA Rule 1122 (effective as of August 17, 2009) requires associated persons to correct information in any filing made with FINRA concerning their registration that has become incomplete or inaccurate so as to be misleading after learning that the information on file is misleading.

From approximately May 27, 2010 to October 27, 2011 (when he belatedly informed SAI), Walsh willfully failed to amend his Uniform Application for Securities Industry Registration ("Form U4") at SAI to disclose three reportable events involving actions by state insurance regulatory/licensing agencies by amending his answers to the applicable subparts of Question 14(D)(1) on his Form U4. Specifically,

- on April 27, 2010, Walsh entered into a Consent Order with the State of Pennsylvania Insurance Department concerning its finding that Walsh acted unethically when he participated in the impersonation of CB that resulted in a cease and desist order and a \$5,000 fine;
- on October 7, 2010, the State of Maine Department of Professional and Financial Regulation Bureau of Insurance issued a License Denial Notice, Order and Opportunity for Hearing regarding the State of Pennsylvania Insurance Department's finding that Walsh acted unethically when he participated in the impersonation of CB in response to Walsh's request to be licensed in Maine as a nonresident insurance producer; and
- on February 16, 2011, the State of Florida Department of Financial Services issued a Notice of Denial regarding the State of Pennsylvania Insurance Department's finding that Walsh acted unethically when he participated in the impersonation of CB in response to Walsh's request to be licensed as a nonresident life including variable annuity and health agent.

By reason of the foregoing, Walsh violated FINRA Rules 1122 and 2010, and FINRA By-Laws Article V, Section 2(c).

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

- a suspension from association with any FINRA member in any and all capacities for a period of eighteen (18) months; and
- a \$25,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 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).

I understand that this settlement includes a finding that I willfully omitted to state material facts on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

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.

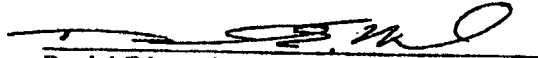
OTHER MATTERS

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; and
- 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.

10/12/13
Date (mm/dd/yyyy)


Daniel Edmund Walsh

Accepted by FINRA:

10/10/13
Date

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


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