

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

**Warren C. Buterbaugh
(CRD No. 1096581),**

Respondent.

**DISCIPLINARY PROCEEDING
No. 2012034294301**

Hearing Officer - DRS

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: April 30, 2015

INTRODUCTION

Disciplinary Proceeding No. 2012034294301 was filed on September 12, 2014, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Warren C. Buterbaugh submitted an Offer of Settlement (Offer) to Complainant dated April 26, 2015. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, as amended by the Offer, 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, to the entry of findings and violations consistent with the allegations of the Complaint, as amended by the Offer, and to the imposition of the sanctions set forth below, and fully

understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

1. On March 24, 1983, Buterbaugh first became registered with FINRA as an Investment Company Products/Variable Contracts Representative. From March 11, 2003 to May 14, 2010, Buterbaugh was registered in that capacity with Investors Capital Corp. (BD No. 30613) ("Investors Capital"). From August 16, 2010 to October 3, 2012, Buterbaugh was registered with Harvest Financial Corporation (BD No. 8733) ("Harvest").
2. On or about October 3, 2012, Harvest filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Buterbaugh was terminated for failing to follow firm policies and procedures.
3. Although Buterbaugh is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Buterbaugh's termination with Harvest, namely October 3, 2012, and (2) the Complaint charges him with misconduct committed while he was a registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

4. On December 27, 2011, Respondent Buterbaugh met with an elderly customer, EJ, at her home. EJ wished to change the beneficiary on her annuity. Rather than change the beneficiary, however, following the meeting Buterbaugh submitted an annuity withdrawal request form to Prudential that resulted in EJ's variable annuity being

surrendered without her authorization. To effectuate the unauthorized withdrawal of EJ's variable annuity, Buterbaugh forged her signature on a Prudential annuity withdrawal request form and dated the form December 27, 2011. Based on the foregoing, Buterbaugh violated FINRA Rule 2010.

**FIRST CAUSE OF ACTION
UNAUTHORIZED TRANSACTION
(FINRA RULE 2010)**

5. In October 2004, while Buterbaugh was registered with Investors Capital, he sold a variable annuity issued by Prudential in the amount of \$7,998.94 to customer EJ.
6. In December 2011, EJ, a 70 year old single customer, advised Buterbaugh that she wished to change the primary beneficiary on her Prudential variable annuity because the beneficiary had recently passed away.
7. On December 27, 2011, Buterbaugh visited EJ at her home and during this visit EJ again told Buterbaugh that she wished to change the beneficiary on her Prudential variable annuity.
8. On or about December 29, 2011, and contrary to EJ's request, Buterbaugh submitted a form called "Prudential Annuity Withdrawal Request for Partial & Full Surrenders" to Prudential, for the purpose of liquidating or "surrendering" EJ's annuity.
9. As a result of Buterbaugh's submission of the form to Prudential, EJ's variable annuity was surrendered on or about January 2, 2012.
10. EJ did not authorize Buterbaugh to surrender her annuity.
11. Based on the foregoing, Buterbaugh violated FINRA Rule 2010.

**SECOND CAUSE OF ACTION
FORGERY
(FINRA RULE 2010)**

12. Buterbaugh forged EJ's signature on the Prudential annuity withdrawal request form and dated the form December 27, 2011 to effectuate the unauthorized surrender of EJ's variable annuity.
13. Based on the foregoing, Buterbaugh violated FINRA Rule 2010

Based on the foregoing, Buterbaugh violated FINRA Rule 2010.

Based on these considerations, the sanction hereby imposed by the acceptance of the Offer is in the public interest, is sufficiently remedial to deter Respondent from any future misconduct, and represents a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTION

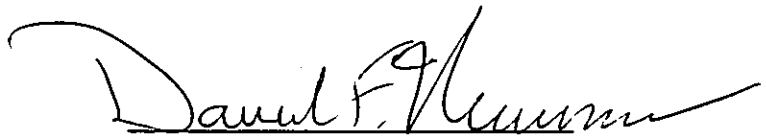
It is ordered that Respondent be barred from association with any FINRA member in any capacity.

The sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "David F. Newman", with a long, sweeping horizontal stroke extending to the right.

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