

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035887501**

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

RE: Duncan C. DeWahl, Respondent
Former General Securities Representative
CRD No. 2036950

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Duncan C. DeWahl ("DeWahl" 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

DeWahl first became associated with a FINRA-regulated broker-dealer in 1990. He received his Series 7 and 24 registrations in 1990, and his Series 4 registration in 1991. During his career in the securities industry, DeWahl has been associated with three different FINRA-regulated broker dealers. From June 2006 until April 2013, DeWahl was associated as a General Securities Representative and a General Securities Principal with FINRA-regulated broker-dealer Waddell & Reed ("Waddell & Reed" or the "Firm"). In April 2013, the Firm terminated DeWahl's employment involuntarily as a result of the improper signatures referenced below. DeWahl has not been associated with a FINRA-regulated broker-dealer since his termination from Waddell & Reed. He has not previously been the subject of any FINRA disciplinary action.

OVERVIEW

Between April 2012 and September 2012, DeWahl violated FINRA Rule 2010 by improperly signing suitability update forms on behalf of at least six Firm

customers, five of which were signed without his customers' knowledge, authorization, or consent.

FACTS AND VIOLATIVE CONDUCT

In 2011, Waddell & Reed instituted a "Books and Records Suitability Update" process pursuant to which registered representatives were required to obtain updated suitability information on behalf of all of their customers. Each customer was required to sign a form that verified the customers' personal information, their financial holdings, their investment objectives and horizon, and other information pertinent to making a suitability determination. Registered representatives were provided with a fourteen-month deadline to obtain the updated information, and failure on their part to do so would result in a transfer of the account to a new broker.

At various times from April 2012 through August 2012, DeWahl improperly signed the signatures of at least six customers on suitability update forms and submitted them to Waddell & Reed. With respect to five of these customers, DeWahl signed the customers' signatures on the documents without their knowledge, authorization or consent.

Waddell & Reed's written supervisory procedures specifically prohibit registered representatives from signing a customer's name, even if the customer requests that they do so.

As a result of the foregoing, DeWahl violated FINRA Rule 2010.

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

A six-month suspension in all capacities from any FINRA member firm and a \$5,000 fine.

The fine shall be due and payable either immediately upon re-association with a member firm following the six-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.

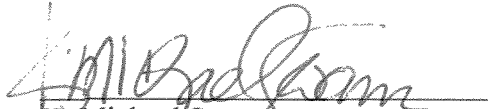
D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

3/26/2014
Date


Respondent Duncan C. DeWahl

Reviewed by:


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Counsel for Respondent
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Accepted by FINRA:

4/29/2014
Date

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


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