

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036768101**

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

RE: Donald R. Dahn, Respondent
Investment Company and Variable Contracts
Products Representative
CRD No. 2172800

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Donald R. Dahn, 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

Dahn entered the securities industry on September 11, 1991, as an Investment Company and Variable Contracts Products Representative of a FINRA member firm. Dahn, during all periods mentioned herein, was associated with Mutual Service Corporation ("MSC"), which in 2009 was acquired by LPL Financial LLC ("LPL" or the "Firm"), a member of FINRA, and was registered with FINRA under Article V of FINRA's By-Laws. Dahn's employment with MSC ended on October 6, 2009. On September 8, 2009, Dahn became registered with LPL as an Investment Company and Variable Contracts Products Representative. Dahn's employment with LPL ended on June 15, 2011. On April 29, 2013, LPL submitted a Form U5 amendment for Dahn to FINRA. Although Dahn is not currently registered with a FINRA member firm, he remains subject to FINRA's jurisdiction, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides that a new amendment will extend the two-year period of retained jurisdiction over formerly registered persons.

RELEVANT DISCIPLINARY HISTORY

On December 5, 2012, FINRA issued a Letter of Acceptance, Waiver and Consent (No. 2011028370001) in which Dahn was found to have violated NASD Rules 2370 and 2110 and FINRA Rule 2010 for borrowing a total of \$240,000 from three customers while he was employed with MSC and for failing to disclose the loans and to obtain approval from his member firm. Dahn was suspended in all capacities for six months.

FACTS AND VIOLATIVE CONDUCT

On or about August 27, 2009, Dahn borrowed \$15,100 from a public customer, without the ability to repay the loan that had been represented to be used for operating expenses for a company run by Dahn and his brother. In June 2010, Dahn borrowed \$12,000 from another public customer, without the ability to repay the loan that had been represented to be used for operating expenses for a company run by Dahn and his brother.

Dahn failed to disclose the loans to MSC or LPL. The firms' written supervisory procedures prohibited borrowing money from customers. Dahn has failed to repay either of the loans, one of which required payment within 90 days. Dahn misappropriated the funds by failing to repay either loan, and by borrowing customer funds without the ability to repay the loans.

As a result of the foregoing misconduct, Respondent Dahn violated NASD Rule 2330 (for the time period from August 27, 2009 to December 14, 2009) and NASD Rule 2370 (for the time period from August 27, 2009 to June 14, 2010) and FINRA Rule 2150 (for the time period from December 14, 2009) and FINRA Rule 3240 (for the time period from June 14, 2010) and FINRA Rule 2010.

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 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. Pursuant to FINRA Rule 8313(e), a bar or expulsion 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:

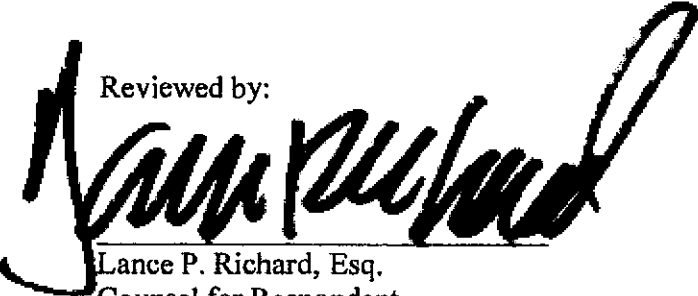
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
3. 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: (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.

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.

11/4/13
Date


Donald R. Dahn, Respondent

Reviewed by:


Lance P. Richard, Esq.
Counsel for Respondent
Lance P. Richard, P.A.
51 East Ocean Blvd.
Stuart, FL 34994
Phone: 772-223-9600

Accepted by FINRA:

November 19, 2013
Date

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

A handwritten signature in black ink, reading "Andrew A. Favret", written over a horizontal line.

Andrew A. Favret, Senior Regional Counsel
FINRA Department of Enforcement
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