

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013038789901**

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

RE: George Dahl, Respondent
General Securities Representative
CRD No. 59820

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

George Dahl ("Dahl") entered the securities industry in 1984. He has been associated with nine member firms since that time. From October 2010 through November 2014, he was registered with FINRA through Newport Coast Securities, Inc. (CRD No. 16944) ("Newport") as a General Securities Representative ("GSR"). From January 2015 through September 22, 2015, he was last registered with FINRA as a GSR through another member firm.

Although Dahl is no longer registered or associated with a member firm, pursuant to Article V, Section 4 of FINRA's By-Laws, he remains subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Dahl has no prior disciplinary history.

OVERVIEW

Dahl violated Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010 by willfully failing to disclose a bankruptcy filing and an unsatisfied federal tax lien on his Uniform Application for Securities Industry Registration or Transfer (“Form U4”). Dahl also violated FINRA Rules 3270 and 2010 by *engaging in an outside business activity without providing written notice* of this activity to his employer firm Newport. Additionally, while registered through Newport, Dahl violated FINRA Rule 2010 by executing two unauthorized trades in a customer’s account. Finally, Dahl violated NASD Conduct Rule 3110 and FINRA Rule 2010 by listing certain inaccurate information on customer new account forms and thereby causing Newport to maintain inaccurate books and records as required by Section 17(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17a-3 thereunder and NASD Conduct Rule 3110.

FACTS AND VIOLATIVE CONDUCT

Willful Failure to Timely Disclose Bankruptcy and Federal Tax Lien

Article V, Section 2(c) of the FINRA By-Laws requires that registrations filed with FINRA be kept current at all times and that amendments must be filed with FINRA not later than 30 days after learning of the facts or circumstances giving rise to the amendment.

FINRA Rule 1122 prohibits filing with FINRA information regarding registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.

FINRA Rule 2010 requires the observance of high standards of commercial honor and just and equitable principles of trade.

Throughout the relevant time period, Question 10K on the Form U4 asked, “[w]ithin the past 10 years have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?” Question 14M of the Form U4 asked, “[d]o you have any unsatisfied judgments or liens against you?”

On January 20, 2013, while registered with FINRA through Newport, Dahl filed a Chapter 7 bankruptcy petition in the U.S. Bankruptcy Court, Orange County, California (“Chapter 7 Bankruptcy”).

Dahl did not amend his Form U4 to disclose the Chapter 7 Bankruptcy until April 17, 2014.

On January 11, 2012, while registered with FINRA through Newport, the Internal Revenue Service (“IRS”) filed a federal tax lien against Dahl in the amount of \$48,494.83 (“Federal Tax Lien”). Dahl learned of the Federal Tax Lien by at least April 2, 2012. Dahl did not amend his Form U4 to disclose the Federal Tax Lien until May 22, 2014.

As a result of the foregoing conduct, Dahl willfully failed to timely amend his Form U4 to disclose the Chapter 7 Bankruptcy and the Federal Tax Lien in violation of Article V, Section 2(c) of FINRA’s By-Laws and in violation of FINRA Rules 1122 and 2010.

Outside Business Activities

FINRA Rule 3270 prohibits a registered person from, among other things, being compensated or having the expectation of compensation from any other person as a result of any business activity outside the scope of the relationship with his or her member firm without providing prompt written notice to the firm.

From at least January 2013 through at least January 2014, while registered through Newport, Dahl performed business activities for a manufacturing company, including referring potential purchasers of the company’s products, assisting with tours of the company’s manufacturing facilities, reviewing and editing press releases, and arranging business meetings between representatives of the company and potential purchasers. Dahl was compensated for these efforts. Dahl’s efforts on behalf of the manufacturing company were outside the scope of his relationship with Newport and he engaged in this outside business activity without providing Newport with required written notice.

By reason of the foregoing, Dahl violated FINRA Rules 3270 and 2010.

Unauthorized Transactions

FINRA Rule 2010 provides that “[a] member, the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.” A registered representative’s execution of unauthorized trades in a customer’s account constitutes a violation of FINRA Rule 2010.

In May 2013, while registered with Newport, Dahl executed two unauthorized sales of securities in customer BD’s account. By reason of the foregoing, he violated FINRA Rule 2010.

Causing Firm's Books and Records to be Inaccurate

NASD Conduct Rule 3110 required member firms to make and preserve books and records as required under the FINRA Rules, the Exchange Act and the applicable Exchange Act Rules, including Section 17(a) of the Exchange Act and Rules 17a-3 thereunder.¹ Implicit in NASD Conduct 3110 is the requirement to make accurate records. Individuals who create inaccurate books and records (and therefore cause their employer firm to maintain inaccurate books and records) violate NASD Conduct Rule 3110 and FINRA Rule 2010.

From September through November 2010, while registered through Newport, Dahl caused the firm to maintain inaccurate books and records. Specifically, during that time period, Dahl included inaccurate information regarding annual income and/or net worth on the new account forms for three customers.

By reason of the foregoing, Dahl violated NASD Conduct Rule 3110 and FINRA Rule 2010.

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

- A suspension from association with any FINRA member firm in any capacity for nine months; and
- A fine of \$20,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the nine-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(s) 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 a material fact 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

¹ FINRA Rule 4511 replaced NASD Conduct Rule 3110 on December 5, 2011.

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 Chief Legal Officer, 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 accordance with FINRA Rule 8313;
 - 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.

02/13/2016
Date (mm/dd/yyyy)

George J. Dahl
Respondent

Accepted by FINRA:

3/3/16
Date

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

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