

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013039386601**

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

RE: Duncan E. Wine, Respondent
General Securities Principal
CRD No. 1263728

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Duncan E. Wine ("Wine" or "Respondent") submits 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Wine entered the securities industry in April 1984, when he associated with a FINRA member firm as a general securities representative. During his career in the securities industry, Wine acquired Series 7, 24 and 63 securities licenses. Wine associated with Northgate Securities, Inc. ("Northgate") in March 1989 and recently served as the firm's President and as a director of the firm. On September 10, 2013, Northgate filed a Form U5 on behalf of Wine terminating his association with the firm as of September 10, 2013. Wine had not associated with another FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

On October 16, 2006, Wine entered into a Stipulation and Consent Order with the State of Utah (No. SD-06-0082), pursuant to which he was fined \$2,500 and ordered to make rescission offers to two Utah clients to whom he had offered and sold private placements of convertible notes and equities during a time period when he was not licensed in the State of Utah to conduct such business.

On February 9, 1994, FINRA issued an Order Accepting an Offer of Settlement (No. C06930014), pursuant to which Wine was censured, fined \$5,000 and, required to make restitution in the amount of \$11,429 to public customers for violations of Article III, Sections 1 and 4 of NASD's Rules of Fair Practice concerning markups. Specifically, Wine caused a FINRA member firm to purchase securities from and sell securities to customers at prices that were not fair.

On August 23, 1991, FINRA issued a Letter of Acceptance, Waiver and Consent (No. C06910033) pursuant to which Wine was fined \$5,000 for violations of Article III, Section 1 of NASD's Rules of Fair Practice and MSRB Rules A-12 and G-2. Specifically, Wine caused a FINRA member firm to: (1) effect transactions in municipal securities without having a qualified municipal principal; (2) engage in municipal securities transactions without the approval of FINRA; and (3) in contravention of the provisions of its Restriction Letter, failed to pay the required initial fee to the MSRB prior to effecting transactions in municipal securities.

OVERVIEW

Wine willfully failed to amend his Form U4 to disclose an unsatisfied federal tax lien filed in January 2008, and a personal bankruptcy filing in September 2012.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2(c) of FINRA's By-Laws, formerly NASD's By-Laws, requires associated persons to keep their Forms U4 "current at all times," and that amendments to Forms U4 be filed "not later than 30 days after learning of the facts or circumstances giving rise to the amendment." Since at least 2008, Disclosure Question 14M of Form U4 has read: "Do you have any unsatisfied judgments or liens against you?" Furthermore, Disclosure Question 14K of Form U4 reads: "Within the past 10 years: (1) have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?"

FINRA Rule 1122, which replaced IM-1001-1, provides that "[n]o member or person associated with a member shall file with FINRA information with respect to membership or 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, formerly NASD Rule 2110, provides that "[a] member, in the Conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

During the period from at least April 2008 to September 2013, Wine willfully failed to amend his Form U4 to disclose an Internal Revenue Service ("IRS") tax lien and a bankruptcy filing. Specifically, on January 14, 2008, the IRS filed a federal tax lien in the amount of \$38,817 against Wine. Wine received notice of the filing of the tax lien in the first quarter of 2008. Wine had not satisfied the tax lien as of the time of the termination of his registration with Northgate. In addition, Wine voluntarily filed a Chapter 13 bankruptcy proceeding on September 4, 2012.

Wine willfully failed to amend his Form U4 to disclose either the tax lien or the bankruptcy filing within 30 days of the disclosure event, or at any time thereafter.

As a result of the foregoing conduct, Wine violated Article V, Section 2 of NASD's By-Laws (for conduct on or before July 29, 2007), Article V, Section 2(c) of FINRA's By-Laws (for conduct on or after July 30, 2007), IM-1000-1 (for conduct on or before August 16, 2009), FINRA Rule 1122 (for conduct on or after August 17, 2009), NASD Conduct Rule 2110 (for conduct on or before December 14, 2008) and FINRA Rule 2010 (for conduct on and after December 15, 2008).

B. Respondent also consents to the imposition of the following sanctions:

A \$5,000 fine and a three-month suspension from association with any FINRA member firm in any capacity.

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

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he 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, he 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).

Respondent understands that this settlement includes a finding that he 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, these omissions make him 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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

Respondent understands 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 Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. Respondent 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 Respondent's: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certified that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 him to submit it.

9-30-2014

Date



Duncan E. Wine, Respondent

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

October 16, 2014
Date

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



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