

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014043809301**

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

RE: Darryl R. Henderson, Respondent
Former Registered Representative
CRD No. 2125529

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

Darryl R. Henderson ("Henderson" or "Respondent") became registered as a general securities representative in January 1996 and was registered with several different FINRA member firms until January 2011. From February 2011 until January 5, 2015, Henderson was registered with IMS Securities, Inc. (the "Firm"). Henderson has not been associated with any FINRA registered firm since January 2015. He remains subject to FINRA jurisdiction pursuant to Article V Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Respondent has no relevant disciplinary history.

OVERVIEW

Henderson acted in contravention of FINRA By-Laws Article V, Section 2, and violated FINRA Rules 1122 and 2010 because he failed to disclose to his Firm and on his Form U-4 a felony charge and subsequent guilty plea.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 1122 states 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.” Similarly, Article V, Section 2(c) of FINRA’s By-Laws requires an associated person to keep his Form U4 “current at all times,” and to file amendments to Forms U4 within 30 days of any disclosure event, and within 10 days of any event that causes a statutory disqualification. Question 14A on the Form U4 requires disclosure of felony convictions, guilty pleas and charges.

On May 12, 2012, Respondent was arrested and charged with driving under the influence of alcohol (“DUI”). In August 2012, Respondent’s DUI charge was upgraded to a felony, which he failed to disclose to his Firm and on his Form U4. On July 22, 2013, Respondent pled guilty to the felony charge and was sentenced to two years’ probation. This felony guilty plea triggered a statutory disqualification for Henderson under the Section 3(a)(39)(F) of the Securities Exchange Act of 1934. Yet, Henderson failed to disclose this felony conviction to his Firm at the time of the guilty plea. On both March 1, 2013 and February 27, 2014, Henderson filled out the Firm’s annual attestation forms in which he answered “no” the questions whether, while he was associated with the Firm, he had ever been arrested or charged with any criminal offense, or been convicted of, or plead guilty to, any felony. Neither the felony charge nor the felony guilty plea was disclosed on Henderson’s Form U4 until December 9, 2014, but only after FINRA alerted the Firm to his criminal history. Between July 2013 and October 2013, Henderson filed three Form U4 amendments relating to financial disclosures addressed in Question 14M, but continued to answer “no” to the questions regarding felony charges and guilty pleas.

In failing to amend his Form U4 to timely disclose the felony charge and guilty plea, and in misrepresenting on his 2013 Form U4 amendments and to his Firm on the annual questionnaires that he had never been charged with or plead guilty to a felony, Henderson willfully violated FINRA Rules 1122 and 2010, and FINRA By-Laws Art. V § 2.

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

A \$5,000 deferred fine and a two (2) month suspension from associating with any FINRA registered firm in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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, and willfully misrepresented 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 omission and misrepresentation makes me subject to a statutory disqualification with respect to association with a member.

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:

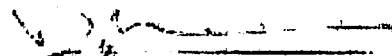
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

6/30/16 _____
Date (mm/dd/yyyy)


Respondent, Darryl R. Henderson

Accepted by FINRA:

7/15/16
Date

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

Miki Vucic Tesija / KM
Miki Vucic Tesija, Senior Regional Counsel
FINRA Department of Enforcement
55 W. Monroe Street, Ste. 2700
Chicago, Illinois 60603
(312)899-4600
Miki.Tesija@finra.org