

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044783403**

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

RE: Diana Lynne Stamborski, Respondent
General Securities Representative
CRD No. 1240581

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Diana Lynne Stamborski, 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 Stamborski alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent Stamborski 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

Stamborski entered the securities industry in 1984 as a general securities representative and became a general securities principal the following year. She was associated with several FINRA-member firms over the ensuing ten years and joined LaSalle St. Securities, LLC ("LaSalle") in 1995 as a general securities representative and general securities principal. She remained at LaSalle until her voluntary termination with the firm in December 2014.

Stamborski's termination was first reported to FINRA on a Form U5 dated December 19, 2014. Her Form U5 was amended on March 16, 2015 to disclose a customer's written complaint of an unsuitable investment recommendation. Accordingly, pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Stamborski.

OVERVIEW

Between January 2009 and December 2014, while registered with LaSalle,

Stamborski participated in an outside business activity without providing the requisite written notice to the firm. She also failed to make required disclosure of this outside business activity in response to the firm's annual compliance questionnaires between 2009 and 2014. She thereby violated NASD Rules 3030 and FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

While working at LaSalle, Stamborski and her direct supervisor were involved in various outside businesses, one of which was a financing and factoring company owned by Stamborski's husband, who was also both registered with LaSalle and supervised by the same person who supervised Stamborski. The husband's company among other things facilitated commercial financing to a variety of businesses.

In 2008, based on a recommendation made by Stamborski's supervisor at LaSalle, a large, religiously-affiliated institutional customer began providing funds to finance deals arranged by the outside business owned by Stamborski's husband. Stamborski received approximately \$3,800 in compensation from her husband's company related to the customer's financing activities which was a portion of the finder's fees paid to her supervisor when the firm customer provided funds to participate in deals through her husband's company.

Stamborski neither sought nor received prior approval from LaSalle to participate in her husband's outside business activity. Moreover, between 2009 and 2014, Stamborski failed to disclose her involvement in this outside business activity in response to LaSalle's annual compliance questionnaires, which required such disclosure.

Stamborski therefore violated NASD Rule 3030 (in effect before December 15, 2010), which required her to provide the firm with "prompt written notice" of her compensation, and FINRA Rules 3270 (in effect since December 15, 2010), which required her to provide the firm with "prior written notice." By virtue of these violations, Stamborski also violated FINRA Rule 2010, which required her to observe high standards of commercial honor and just and equitable principles of trade.

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

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

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 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.

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.

2/9/2017

Date (mm/dd/yyyy)

Diana Lynne Stamborski

Diana Lynne Stamborski, Respondent

Reviewed by:

[Signature]

Nathan W. Lamb, Esq.
Counsel for Respondent
Ulmer & Berne
500 West Madison Street
Suite 3600
Chicago, IL 60661

Accepted by FINRA:

2/14/17
Date

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

[Signature]

Gauhar R. Naseem, Principal Counsel
FINRA Department of Enforcement
15200 Omega Drive
Suite 300
Rockville, MD 20850