

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016048816701**

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

RE: Dennis Allen Webb, Respondent
Former Registered Representative
CRD No. 1796012

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

Dennis Allen Webb was first registered with a FINRA member firm in 1988. He was associated with his most recent FINRA member firm, Cantella & Co., Inc. ("Cantella"), from July 2012 through February 2016. Cantella terminated Webb's association on February 4, 2016, based on the conduct described below. Webb has not been associated with a FINRA member firm since his termination by Cantella. However, FINRA retains jurisdiction over Webb pursuant to Article V, Section 4 of the FINRA By-Laws.

OVERVIEW

While associated with Cantella, Webb assisted a customer with opening an account at another firm and placing seven trades in that account, at the request of and as an accommodation to that customer, without seeking and obtaining Cantella's approval. Webb electronically signed the customer's name on the new account opening documentation for the outside account. By virtue of this conduct, Webb violated NASD Rule 3040 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In May 2014, at the request of a Cantella customer and as an accommodation, Webb created an online account for the customer at another firm so that she could trade with lower commissions than were available in her Cantella account.¹ As part of the account-creation process, Webb completed the new account opening documentation and electronically signed the customer's name on that documentation. Between May 27 and June 26, 2014, the customer called Webb on at least seven occasions and asked him to place trades in her account at the other firm. Thus, at the customer's request and as an accommodation, Webb logged into the customer's online account at the other firm and placed seven trades on her behalf. The total cumulative dollar amount involved in those trades was approximately \$68,000.

Webb was not compensated for opening the account or for placing the trades. However, Webb did not seek or receive Cantella's authorization to participate in the opening of the outside account or in placing trades in that account.

During the relevant period, NASD Rule 3040 prohibited a person associated with a member from participating in any private securities transaction without first providing written notice to his employer describing in detail the proposed transaction, his role in it, and whether he may receive compensation.² "Participation" under NASD Rule 3040 is construed broadly and includes activity such as assisting customers with completing new account paperwork and placing trades. Accordingly, Webb violated NASD Rule 3040 by opening an account and placing trades for a customer at another firm without seeking or receiving Cantella's authorization.

FINRA Rule 2010 provides that a registered representative, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade. By entering his customer's electronic signature on new-account documentation at another firm, Webb violated FINRA Rule 2010.

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

- a suspension from association with any FINRA member in any capacity for two months; and
- a fine of \$10,000.

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.

¹ At the time, the customer had been Webb's customer and family friend for more than 20 years.

² NASD Rule 3040 was superseded by FINRA Rule 3280 on September 21, 2015, after the conduct at issue.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction 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).

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.

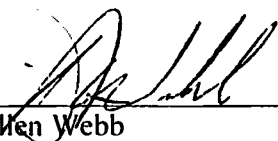
OTHER MATTERS

I understand that:

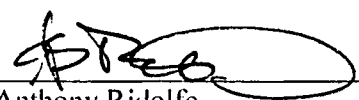
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

OCTOBER 3, 2016
Date (mm/dd/yyyy)


Dennis Allen Webb

Reviewed by:


Anthony Ridolfo
Hackman & Hulett LLP
135 N. Pennsylvania Street, Suite 1610
Indianapolis, IN 46204-2454

Counsel for Respondent

Accepted by FINRA:

Oct 21, 2016
Date

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



Edwin Aradi
Senior Counsel
FINRA Department of Enforcement
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