

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017055477301**

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

RE: Jedediah Elvin Dahl, Respondent
General Securities Representative
CRD No. 5517556

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Jedediah Elvin Dahl ("Dahl" 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

Dahl entered the securities industry in April 2008 when he became associated with a FINRA-regulated broker-dealer. From August 2015 to September 2017, Dahl was associated with Merrill Lynch, Pierce, Fenner, & Smith Incorporated ("Merrill Lynch" or the "Firm"), a FINRA-regulated broker-dealer, as a General Securities Representative ("GSR"). In a Uniform Termination Notice for Securities Industry Registration ("Form U5") dated September 5, 2017, Merrill Lynch reported the termination of Dahl's employment for "conduct inconsistent with Firm policy regarding selling away."

Although Dahl is not registered or associated with a FINRA-regulated broker-dealer, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

In October and November 2016 (the “Relevant Period”), Dahl created and issued two letters to GP, a prospective customer and the owner of BBR, a start-up company soliciting potential investors. The letters were printed on Firm letterhead and contained misleading statements regarding Merrill Lynch’s relationship with BBR and the risks associated with an investment in BBR. One of the letters also contained information that could be construed as guaranteeing their investment or the return on their investment. By distributing sales materials that failed to comply with FINRA’s content standards for member communications with the public, Dahl violated FINRA Rules 2210(d)(1)(A), 2210(d)(1)(B), 2210(d)(1)(F), and 2010.

Dahl did not submit the letters to Merrill Lynch for review and approval, as required by the Firm’s written supervisory procedures. Dahl’s failure to submit the letters to the Firm for review prevented the Firm from fulfilling its supervisory obligations and preserving Dahl’s correspondence in accordance with applicable recordkeeping requirements. By virtue of the foregoing conduct, Dahl also violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2210 addresses FINRA member communications, and includes content standards that apply to all member communications. Pursuant to FINRA Rule 0140(a), FINRA Rules apply to all member firms and their associated persons. FINRA Rule 2210(d)(1)(A) provides that all communications “must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communications to be misleading.” FINRA Rule 2210(d)(1)(B) prohibits making any false, exaggerated, unwarranted, promissory or misleading statement or claim in any communication. In addition, no member or associated person may publish, circulate or distribute any communication that they know or have reason to know contains any untrue statement of material fact or is otherwise false or misleading. FINRA Rule 2210(d)(1)(F) provides that communications may not predict or project performance, imply that past performance will recur or make any exaggerated or unwarranted claim, opinion or forecast.

A violation of FINRA Rule 2210(d) is also a violation of FINRA Rule 2010, which requires members and associated persons to “observe high standards of commercial honor and just and equitable principles of trade.” A registered representative who makes misleading statements, or fails to submit correspondence to his member firm for review, approval and retention, also fails to observe high standards of commercial honor and just and equitable principles of trade, and violates FINRA Rule 2010.

During the Relevant Period, the Firm’s written supervisory procedures prohibited the use of Firm letterhead for personal correspondence, and required any outgoing written

communication on corporate letterhead to be reviewed and approved by a registered principal.

Dahl met GP in July 2016. At the time, GP was attempting to raise \$500 million for BBR through a bond offering. Shortly thereafter, GP introduced Dahl to JD, a potential investor in BBR. Dahl spoke with GP and JD about her potential investment in BBR, and how it might be structured.

On October 26, 2016, Dahl prepared and provided a letter to GP for his use with JD and any other potential investors (the “October 26 Letter”). The October 26 Letter was printed on Firm letterhead, and described a proposal by which potential investors could open an account with Merrill Lynch and use a line of credit drawn against their Firm account to fund their investment in BBR. However, the October 26 Letter failed to provide a fair and balanced presentation and sound basis for evaluating the proposed investment in BBR, in violation of FINRA Rules 2210(d)(1)(A) and 2010. For example, the October 26 Letter stated that the proposed method of investment would keep the funds invested in BBR from being put directly at risk, preserve the invested funds if BBR defaulted, and “increase [the investor’s] total returns” However, the October 26 Letter failed to balance its positive discussions about the proposed structure of the investment with adequate risk disclosures that explained that the potential investment was speculative, illiquid, and carried a high degree of risk, including the risks associated with leveraging the invested assets in a brokerage account to fund BBR.

The October 26 Letter also contained false or misleading statements, in violation of FINRA Rules 2210(d)(1)(B) and 2010. For example, Dahl described his relationship with BBR as a “partnership,” whereby he would serve as a “financial intermediary between potential investors” and BBR when no such partnership existed. The October 26 Letter also contained false and misleading statements indicating that the proposed structure of the investment would cover any interest or management fees associated with the brokerage account, and preserve the capital invested in BBR.

On November 11, 2016, Dahl prepared and provided GP an updated version of the October 26 Letter (the “November 11 Letter”) to use when soliciting potential investors. The November 11 Letter was identical to the October 26 Letter, but included an additional paragraph containing forward-looking predictions of BBR’s performance, in violation of FINRA Rules 2210(d)(1)(F) and 2010. Specifically, the November 11 Letter stated that BBR “intends to pay their investors 8%, plus cover Merrill Lynch’s expenses. As such, the returns of the municipal bond portfolio will be received by the client as pure profit.”¹

Dahl did not submit the October 26 Letter or November 11 Letter to the Firm for review and approval. Dahl’s failure to submit the letters to the Firm for review violated FINRA Rule 2010 because it prevented the Firm from fulfilling its supervisory obligations under FINRA Rule 3110(b) and preserving Dahl’s correspondence in accordance with Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4 thereunder.

¹ No individuals invested in BBR due to Dahl’s misconduct.

By virtue of the foregoing, Dahl violated FINRA Rules 2210(d)(1)(A), 2210(d)(1)(B), 2210(d)(1)(F) and 2010.

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

1. A suspension from association with any FINRA-regulated broker-dealer in any capacity for four (4) months; and
2. A fine in the amount of \$10,000.

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

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.

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

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.

Respondent further specifically and voluntarily waives 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

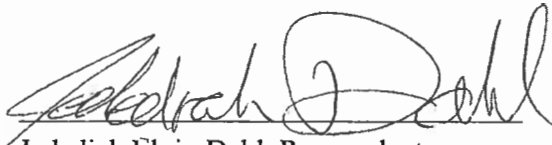
Respondent understands that:

- 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 action brought by FINRA or any other regulator against Respondent;
 - 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. 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 certifies 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; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA or FINRA staff members for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and 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 this AWC.

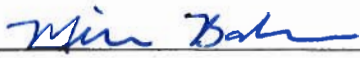
08/29/2019
Date


Jedediah Elvin Dahl, Respondent

Accepted by FINRA:

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

8/30/19
Date


Mitka T. Baker
Senior Counsel
FINRA Department of Enforcement
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Rockville, MD 20850