FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024083956101

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

RE: Daniel Schmid (Respondent)
Investment Company and Variable Contracts Products Representative
CRD No. 6658306

Pursuant to FINRA Rule 9216, Respondent Daniel Schmid 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 in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Schmid first registered with FINRA as an Investment Company and Variable Contracts Products Representative through an association with Northwestern Mutual Investment Services, LLC (CRD No. 2881) in August 2016. On November 1, 2024, Northwestern Mutual filed a Uniform Termination Notice for Securities Industry Registration (Form U5) reporting that the firm allowed Schmid to resign "while under internal review related to replacement activity and disclosure of outside business activities." From December 2024 until July 2026, Schmid was registered with FINRA through an association with another member firm.

Schmid is not currently associated with a FINRA member but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.[1]

[1] For more information about the respondent, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

In July 2024, Schmid borrowed $25,000 from a customer, in violation of firm policies. During FINRA's investigation in 2025 and 2026, Schmid provided false written responses and withheld documents responsive to Rule 8210 requests and provided false testimony to conceal the loan and a related business venture. As a result, Schmid violated FINRA Rules 3240, 8210, and 2010.

For these violations, Schmid is barred in all capacities.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the November 1, 2024 Form U5.

Schmid Improperly Borrowed Money from a Customer.

FINRA Rule 3240 prohibits a registered person from borrowing from or lending money to his customer unless: (1) the registered person's employing member firm has written procedures permitting borrowing from customers; and (2) the borrowing arrangement meets at least one of five conditions specified in the rule. Even if those requirements are satisfied, the registered person must seek and obtain prior written approval of the loan from the member firm, except that the firm's procedures may provide otherwise where the customer is a lending-related business, under certain circumstances, or a member of the registered person's immediate family.

A violation of FINRA Rule 3240 is also a violation of FINRA Rule 2010, which requires associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

In July 2024, Schmid borrowed $25,000 from a firm customer to finance a business venture. The loan was documented in a promissory note and required Schmid to repay the money in 45 days with $2,500 in interest. Schmid did not seek Northwestern Mutual's approval for the loan, and the loan violated the firm's policies, which prohibited associated persons from borrowing from customers except within certain circumstances that did not apply to the loan. Schmid repaid the loan after three months.

Therefore, Schmid violated FINRA Rules 3240 and 2010.

Schmid Provided False Statements and Testimony to FINRA and Failed to Produce Responsive Documents.

FINRA Rule 8210(a) permits FINRA staff to require associated persons to "provide information orally, in writing, or electronically . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding" and to "inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such member's or person's possession, custody or control." Rule 8210(c) states that "[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule." Providing false information or testimony to FINRA in connection with an examination or investigation is a violation of FINRA Rule 8210. A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010.

In January and April 2025, FINRA staff issued requests pursuant to FINRA Rule 8210 to Schmid concerning the loan and business venture. In written responses in February and April 2025, Schmid falsely denied involvement in the business venture and receipt of the loan.

In May 2025, FINRA staff issued a request pursuant to FINRA Rule 8210 requiring Schmid to produce documents relating to the loan and business venture. Schmid withheld from his production several responsive documents that proved he received the loan from the customer for the business venture.

In February 2026, Schmid testified on the record pursuant to FINRA Rule 8210. He initially affirmed the false statements from his written responses but eventually admitted in testimony to receiving the loan, to providing false written responses and false testimony, and to withholding responsive documents from production to FINRA.

Therefore, Schmid violated FINRA Rules 8210 and 2010.

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

- a bar from associating with any FINRA member in all capacities.

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 sanctions imposed in this AWC shall be effective on a date set by FINRA. The bar shall become effective on the date of the notice of acceptance of this AWC.

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 its acceptance or rejection.

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 its subject matter in accordance with FINRA Rule 8313;

4. this AWC may be taken into consideration by employers and other regulatory or licensing entities or authorities in their hiring, retention, licensing, or other decisions. This AWC may also have other adverse collateral consequences outside of FINRA's control; and

5. 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

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 has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

08/06/2026	Daniel Schmid
Date	Daniel Schmid Respondent

Reviewed by:

Christopher H. Tovar

Christopher Tovar
Counsel for Respondent
Law Offices of Christopher Tovar
3990 Chilson Road
Howell, MI 48843

Accepted by FINRA:

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

09/01/2026

Date

Thomas Crimer

Thomas Crimer
Counsel
FINRA
Department of Enforcement
99 High St., Ste. 1200
Boston, MA 02110