

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2016050457601**

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

RE: Terrence Jeffrey Diehl, Respondent  
Former Registered Representative  
CRD No. 2335297

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**

Terrence Jeffrey Diehl (“Diehl”) was licensed as a General Securities Representative with three firms between April 1993 and September 2003. He was not licensed again until July 2015 when he requalified as a General Securities Representative (Series 7) with LPL Financial LLC (“LPL” or the “Firm”). Diehl’s registration with LPL was terminated by Form U-5 filed on June 24, 2016. He is not currently associated with a FINRA member firm.

Although Diehl is no longer associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of the FINRA By-laws.

**OVERVIEW**

From January 2016 through May 2016, while associated with LPL, Diehl participated in undisclosed private securities transactions involving \$500,000 of purchases of a private offering by three Firm customers in violation of FINRA

Rules 3280 and 2010. Diehl also provided false attestations to LPL about those private securities transactions in violation of FINRA Rule 2010.

## FACTS AND VIOLATIVE CONDUCT

### Private Securities Transactions

FINRA Rule 3280 prohibits registered representatives from participating “in any manner in a private securities transaction,” without first providing written notice to the registered representative’s firm. Rule 3280 defines a private securities transaction as “any securities transaction outside the regular course or scope of an associated person’s employment with a member [firm].” FINRA Rule 2010 requires a FINRA member to observe high standards of commercial honor and just and equitable principles of trade in the conduct of its business. A violation of FINRA Rule 3280 also constitutes a violation of FINRA Rule 2010.

From January 2016 through May 2016, Diehl sold shares of a nutritional supplement and natural products company on behalf of a third party through a private offering. Three of Diehl’s LPL customers invested a total of \$500,000 in the private offering. Diehl assisted the customers in making the investments by, among other things, providing the customers with information about the company, expressing confidence in the CEO of the company, reviewing the purchase agreements, and facilitating the exchange of documents and funds between the seller of the shares and the customers. Diehl received \$37,500 (7.5% of the \$500,000) in transaction-based compensation for his customers’ purchases. Diehl did not give prior notice to LPL that he would be participating in the offering.

By reason of the foregoing, Diehl violated FINRA Rules 3280 and 2010.

### False Statements to Firm

False written statements made by an associated person to his employer violate FINRA Rule 2010.

Diehl submitted certain forms (“Move Money Non-Solicitation / Non-Compensation Acknowledgement for Non-LPL Transactions”) to LPL in connection with two of his customers’ purchases of shares of the above-mentioned private offering and falsely attested on each form: (i) that he did not “solicit, recommend, or otherwise participate” in the customer’s purchase and (ii) that he “received no compensation or promise of compensation” for the purchase.

By reason of the foregoing Diehl violated FINRA Rule 2010.

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

- A suspension from association with any FINRA member in all capacities for a period of nine months; and
- A \$10,000 fine; and
- Disgorgement of transaction-based compensation received, which is ordered to be paid to FINRA in the amount of \$37,500, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621, from April 22, 2016 until the date this AWC is accepted by the NAC.

The fine and disgorgement shall be due and payable either immediately upon re-association 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).

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:

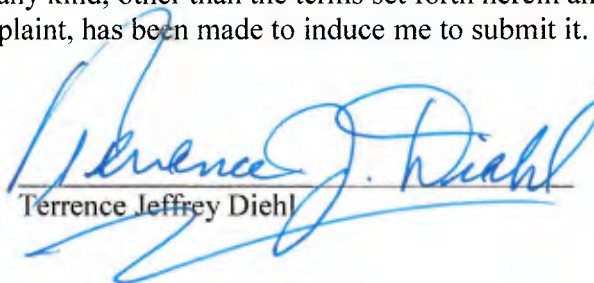
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

9/25/17  
Date (mm/dd/yyyy)

  
Terrence Jeffrey Diehl

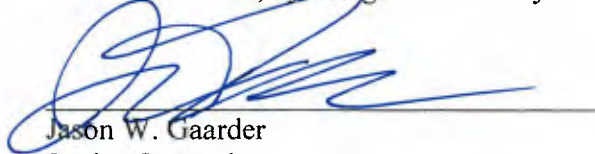
Reviewed by:

  
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Accepted by FINRA:

October 10, 2017  
Date

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



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