

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2018059393201**

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

RE: Daniel Todd Levine, Respondent  
Former Registered Representative  
CRD No. 2874319

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I Daniel Todd Levine (“Levine”), 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**

Levine first became registered with FINRA as a General Securities Representative (“GS”) in May 1997 through a FINRA member firm. From June 7, 2013 through August 2, 2018, Levine was registered as a GS through his association with Morgan Stanley (“Morgan Stanley” or the “Firm”). On August 2, 2018, Morgan Stanley filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) terminating Levine’s registration with the Firm. The Form U5 disclosed that Levine voluntarily terminated his association with the Firm on July 3, 2018 while an internal review concerning his activities at the Firm was pending. From July 5, 2018 through August 7, 2018 Levine was registered with FINRA as a GS through his association with a different FINRA member firm.

Levine is not currently registered with FINRA or associated with a FINRA member firm, but remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4(a) of the FINRA By-Laws.

## **RELEVANT DISCIPLINARY HISTORY**

Levine does not have any formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization, or any state securities regulator.

## **OVERVIEW**

In connection with its investigation into allegations that Levine engaged in undisclosed outside business activities, solicited a senior Firm customer to borrow funds for an outside business activity, and executed unauthorized trades, FINRA staff sent Levine a request for documents and information pursuant to FINRA Rule 8210. Levine failed to provide information requested by FINRA staff pursuant to Rule 8210. As a result, Levine violated FINRA Rules 8210 and 2010.

## **FACTS AND VIOLATIVE CONDUCT**

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA has the right to “require a member, person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in [a FINRA] investigation.” FINRA 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.” A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010.

On August 13, 2018, FINRA staff sent Levine a request for documents and information pursuant to FINRA Rule 8210, with a response date of August 27, 2018. The request was sent in connection with FINRA’s investigation into allegations that Levine engaged in undisclosed outside business activities, solicited a senior Firm customer to borrow funds for an outside business activity, and executed unauthorized trades, among other alleged conduct. FINRA staff granted an extension of the response date to September 10, 2018. Counsel for Mr. Levine then requested a second extension. Rather than grant that extension, on September 11, 2018, FINRA staff sent a second request pursuant to FINRA Rule 8210 to Levine for the same documents and information with a response date of September 24, 2018. On September 24, 2018, Levine provided a partial, but incomplete, response to FINRA’s request. In October 2018, FINRA staff contacted Levine’s counsel and requested that Levine provide a complete response to FINRA’s Rule 8210 request. Levine, through counsel, informed FINRA staff that Levine would not provide a complete response to FINRA’s Rule 8210 request.

As stated in his counsel’s email to FINRA staff on December 3, 2018, and by this agreement, Levine acknowledges that he received FINRA’s request and will not produce the information requested.

By virtue of the foregoing, Levine violated FINRA Rules 8210 and 2010.

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

- A bar from association with any FINRA member firm in any capacity.

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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

## 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.

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.

12-12-18  
Date

  
Daniel Todd Levine, Respondent

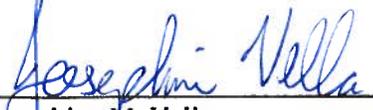
Reviewed by:

  
Marnie C. Adams  
Richard K. Kornfeld  
Counsels for Respondent  
Recht Kornfeld PC  
1600 Stout Street, Suite 1400  
Denver, CO 80202  
(303) 573-1900

Accepted by FINRA:

1-8-2019  
Date

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

  
Josephine M. Vella  
Counsel  
FINRA Department of Enforcement  
Brookfield Place  
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New York, NY 10281  
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