

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2017055447502**

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

RE: Ronald L. Whittingham (Respondent)  
General Securities Representative and General Securities Principal  
CRD No. 4175525

Pursuant to FINRA Rule 9216, Respondent Ronald L. Whittingham 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 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**

Whittingham first became registered with FINRA in 2000. Whittingham was registered as a General Securities Representative and a General Securities Principal through an association with LPL Financial LLC (CRD No. 6413) from April 2016 to March 2019, when the firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing that it had terminated Whittingham's registrations, citing the reason as a "management decision based on evaluation of "removing enhanced death benefit riders from certain variable annuities prior to submission of exchange transactions."

Since February 28, 2019, Whittingham has been registered in the above-named capacities through an association with another FINRA member firm.<sup>1</sup>

**OVERVIEW**

Between August 2016 and December 2016, Whittingham falsified documents that he submitted to LPL in connection with 22 variable annuity exchanges. As a result, Whittingham violated FINRA Rule 2010, and he separately violated FINRA Rules 4511 and 2010 by causing LPL to maintain inaccurate books and records.

---

<sup>1</sup> For more information about the Respondent, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

## FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 requires FINRA members and their associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business. Falsifying documents is inconsistent with high standards of commercial honor and just and equitable principles of trade and violates Rule 2010.

FINRA Rule 4511 requires member firms and associated persons to make and preserve books and records as required by applicable laws, rules, and regulations. Implicit in the requirement to make and preserve books and records is the requirement that information in those books and records be accurate. An associated person who enters inaccurate information in a firm’s books and records violates FINRA Rules 4511 and 2010.

FINRA Rule 2330 sets forth specific standards for firms’ supervision of recommended purchases and exchanges of deferred variable annuities (VAs). Among other things, FINRA Rule 2330 requires that a representative recommending a VA purchase or exchange document in writing his or her bases for determining that the transaction would be suitable for the customer. Consistent with these requirements, LPL’s written supervisory procedures required that registered representatives who recommend the exchange of a VA complete and sign a VA replacement disclosure form that describes, among other things, the features of the VA being replaced, including any death benefits offered by the existing VA. The disclosure form must also describe the representative’s bases for determining that the VA exchange is suitable for the customer. LPL’s procedures required that the representative submit the disclosure form to LPL for approval prior to the exchange.

Between August 2016 and December 2016, Whittingham falsified 22 VA replacement disclosure forms, which he submitted to LPL. On each form, Whittingham stated, falsely, that gaining a stepped-up death benefit was one of the reasons that the VA exchange was suitable for the customer. In fact, as Whittingham knew, each VA that was to be replaced had a stepped-up death benefit that, unbeknownst to LPL, was removed at Whittingham’s recommendation immediately prior to the time he recommended the VA exchange. Whittingham recommended to his customers that the death benefits be removed from the existing VAs in order to make his recommended exchanges look to LPL as though they were more advantageous to the customer than they were, even though each of the 22 VA replacement disclosure forms identified other, accurate reasons why each exchange was suitable for the customer.

By falsifying 22 VA replacement forms, Whittingham violated FINRA Rule 2010. In addition, Whittingham violated FINRA Rules 4511 and 2010 by causing LPL to maintain inaccurate books and records.

- B. Respondent also consents to the imposition of the following sanctions:
- a three-month suspension from associating with any FINRA member in all capacities; and

- a \$5,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

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

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

## 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 prejudice 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; 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 testimonial obligations or 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.

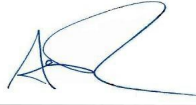
Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the

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.

6-16-2021  
Date

  
\_\_\_\_\_  
Ronald L. Whittingham  
Respondent

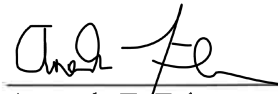
Reviewed by:

  
\_\_\_\_\_  
Alan Wolper  
Counsel for Respondent  
Ulmer & Berne LLP  
500 W. Madison St.  
Suite 3600  
Chicago, IL 60661-4587

Accepted by FINRA:

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

10/28/2021  
Date

  
\_\_\_\_\_  
Amanda E. Fein  
Principal Counsel  
FINRA  
Department of Enforcement  
99 High St., 9th Floor  
Boston, MA 02110