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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

Daniel N. Winger

Respondent.

Order Number S-18-2538-19-SC01

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ENTER ORDER TO CEASE
AND DESIST, TO CHARGE COSTS, TO
IMPOSE A FINE, AND TO DENY FUTURE
REGISTRATIONS

8 THE STATE OF WASHINGTON TO: Daniel N. Winger, CRD No. 1542674

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STATEMENT OF CHARGES

11 Please take notice that the Securities Administrator of the State of Washington has reason to
12 believe that the Respondent, Daniel N. Winger, has violated the Securities Act of Washington. The
13 Securities Administrator believes those violations justify the entry of an order under RCW 21.20.390 to
14 cease and desist from such violations, and to charge costs, and, pursuant to RCW 21.20.395, to impose a
15 fine. The Securities Administrator further believes that those violations justify the entry of an order,
16 pursuant to RCW 21.20.110(1), to deny any future broker-dealer, securities salesperson, investment
17 adviser, and investment adviser representative registrations that Daniel N. Winger may seek. The
18 Securities Administrator finds as follows:

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TENTATIVE FINDINGS OF FACT

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Respondent

21 1. Daniel N. Winger (“Winger”) is a resident of Bonney Lake, Washington. Winger was
22 registered with the Securities Division as a securities salesperson of PFS Investments, Inc. (“PFS”) from
23 September 1986 until August 2018, when PFS terminated him for cause.

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Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 Nature of the Conduct

2 2. Between April 2015 and April 2018, Winger misappropriated more than \$100,000 from an
3 elderly client whom Winger had known for more than thirty years. Winger represented to this client that
4 he would use these funds to pay federal taxes on the client's behalf. Winger solicited six checks from the
5 client. Winger provided the dollar amount to be paid for each check, but instructed the client to leave the
6 payee section blank. Winger endorsed these checks and deposited them in a personal account.

7 3. When deposited, each check was payable to "Dan Winger and Associates," a business that
8 Winger did not identify as outside business activity in the Central Registration Depository. During the
9 period in which Winger misappropriated his client's funds, Winger caused four Forms U-4 to be filed that
10 did not identify Dan Winger and Associates as outside business activity.

11 FINRA Action

12 4. In August 2018, Winger and FINRA agreed to a Letter of Acceptance, Waiver, and Consent
13 (the "Letter") to settle FINRA's investigation of this matter. FINRA alleged that Winger's
14 misappropriation of his clients' funds violated FINRA rules 2150(a), forbidding the conversion of client
15 funds, and 2010, requiring representatives to observe high standards of commercial honor, and just and
16 equitable principles of trade.

17 5. Winger consented to a ban from associating with any FINRA member in any capacity as
18 part of the Letter. Winger also agreed to waive his rights to defend himself in this matter in a
19 disciplinary hearing, and to appeal any such decision to the Securities and Exchange Commission or a
20 federal appellate court.

21 **CONCLUSIONS OF LAW**

22 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

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1. Winger, by misappropriating client funds, has engaged in a dishonest or unethical practice in the securities business, as defined by WAC 460-22B-090. Such conduct is grounds, pursuant to RCW 21.20.110(1)(g), to deny any broker-dealer, securities salesperson, investment adviser, and investment adviser representative registrations that Winger might seek.

2. Winger, by causing to be filed four Forms U-4 that did not identify Dan Winger and Associates as outside business activity, has made a false or misleading statement in violation of RCW 21.20.350. Such violation is grounds, pursuant to RCW 21.20.110(1)(b), to deny any broker-dealer, securities salesperson, investment adviser, and investment adviser representative registrations that Winger might seek.

3. Winger, by violating FINRA rules 2150(a) and 2010, has engaged in a dishonest or unethical practice in the securities business as defined by WAC 460-22B-090(19), which is grounds, pursuant to RCW 21.20.110(1)(g) to deny any broker-dealer, securities salesperson, investment adviser, and investment adviser representative registrations that Winger might seek.

NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST

Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent cease and desist from violating RCW 21.20.350.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent shall be liable for and shall pay investigative costs of \$1,000.

1 **NOTICE OF INTENT TO IMPOSE A FINE**

2 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and
3 Conclusions of Law, the Securities Administrator intends to order that the Respondents shall be liable
4 for and shall pay a fine of \$10,000.

5 **NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS**

6 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
7 Conclusions of Law, the Securities Administrator intends to order that the future broker-dealer, securities
8 salesperson, investment adviser, and investment adviser representative registrations of the Respondent be
9 denied.

10 **AUTHORITY AND PROCEDURE**


11 This Order is entered pursuant to the provisions of RCW 21.20.110 and RCW 21.20.390, and is
12 subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may make a
13 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
14 OPPORTUNITY FOR HEARING accompanying this Order. If the Respondent does not request a
15 hearing, the Securities Administrator intends to adopt the foregoing Tentative Findings of Fact and
16 Conclusions of Law as final, and enter a permanent order against that Respondent denying the
17 Respondent's future securities salesperson registration.

1 DATED AND ENTERED this 8th day of April , 2019.

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4 _____
5 William M. Beatty
6 Securities Administrator

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9 Approved by:

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12 Suzanne Sarason
13 Chief of Enforcement

Presented by:

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16 Edward R. Thunen
17 Financial Legal Examiner

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19 Reviewed by:

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22 Jack McClellan
23 Financial Legal Examiner Supervisor

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