

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070094233-02**

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

RE: Jeffrey Scott Mayer (CRD # 873285)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Jeffrey Scott Mayer ("Respondent" or "Mayer") 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 herein.

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

Mayer was first employed in the securities industry in November 1979 as a financial advisor with PaineWebber. His subsequent employment in the securities industry is as follows:

9/83 – 7/96:	Prudential-Bache Securities Incorporated
8/96 – 12/98:	Piper Jaffray Inc.
1/99 – 1/01	Hagerty Stewart & Associates, Inc.
1/01-12/06	The Seidler Companies Incorporated ("Seidler")
12/06 – present	Crowell, Weedon & Co. ("Crowell Weedon")

In January 2001, Mayer began working as branch office manager for the Fresno California branch of Seidler (the "Fresno Branch"). By August 2005, Mayer voluntarily relinquished his duties as branch office manager. He now works as a registered representative in the Fresno, California branch of Crowell Weedon.

RELEVANT PRIOR DISCIPLINARY HISTORY

Respondent was previously sanctioned by the New York Stock Exchange, Inc. for failing to adequately supervise a registered representative who recommended unsuitable trades for customer accounts in Jeffrey S. Mayer, NYSE Hearing Panel Decision 97-120 (September 16, 1997). Without admitting or denying the findings, Mayer consented to a penalty of a censure, two-month supervisory suspension, a \$10,000 fine and a requirement to retake the Series 8 supervisory examination.

OVERVIEW

During the period from March 2004 through August 2005 ("Relevant Period"), Mayer was responsible for supervising a Seidler registered representative, Richard Alan Mechikoff, Jr. ("Mechikoff") at the Fresno Branch. During this period, Mechikoff improperly handled at least two customer accounts. Among other things, Mechikoff made unsuitable trade recommendations, which resulted in excessive levels of concentration in one speculative stock. During the Relevant Period, Mayer failed to adequately supervise Mechikoff's handling of these accounts.

FACTS AND VIOLATIVE CONDUCT

Mechikoff was employed at Seidler in the Fresno Branch from August 2003 through April 2006. During the Relevant Period, Mayer was responsible for reviewing customer trades in the Fresno Branch on a daily basis. On a periodic basis, Mayer was also provided with copies of exception reports which he was required to review.

The HP Account

At Seidler, Mechikoff handled an account opened on behalf of a pension profit sharing plan opened for certain employees of an electrical contracting company (the "HP Account").

Beginning in 2005, Mechikoff began recommending to the trustees of the pension plan that the HP Account buy shares of H, a speculative micro-cap stock, in ever-increasing amounts.

From April through September 2005, H comprised more than half of the HP Account's total value. The concentration in H stock was unsuitable for the HP Account, insofar as it exposed the pension plan to a level of risk inappropriate for an employee pension plan requiring safe investments.

Mayer reviewed multiple exception reports generated by Seidler's clearing firm, which identified large trades in H for the HP Account, as well as other customer

accounts handled by Mechikoff. Mayer, however, failed to prevent excessive concentrations of H in the HP Account, even though he was aware of red flags.

The J&C Account

In 1995, J and C opened a joint account, as husband and wife, with Mechikoff while Mechikoff was employed at another FINRA member firm ("the J&C Account"). At the time, J was a 75 year-old retiree, and C was 69 years old. As Mechikoff changed employment, the J&C Account followed Mechikoff to another FINRA member firm, and then to Seidler.

Both J and C were unsophisticated investors, who relied on Mechikoff for the handling of their accounts. The new account documents for the J&C Account recorded "current income and capital appreciation" as their return objective, and "moderate" as their primary risk profile.

Beginning in March 2004, Mechikoff began recommending that J and C purchase H stock. Acting on Mechikoff's recommendations, J and C began buying and selling H, sometimes holding positions for a short period of time.

In August 2004, J died, leaving C a widow. C continued to rely on Mechikoff's recommendations with respect to the J&C Account.

During at least April and May 2005, the J&C Account was excessively concentrated in H. In May 2005, the J&C Account held 38,000 shares of H, valued at approximately \$784,000. This represented approximately 40% of C's cash and securities in the J&C Account.

The concentration in H was unsuitable for the J&C Account, insofar as it exposed C to a level of risk which was inappropriate for an account with investment objectives of "current income" and "capital appreciation," and a risk profile of "moderate".

Mayer was responsible for reviewing branch order tickets, the daily trade blotter and a sampling of customer monthly account statements. Mayer, however, failed to prevent excessive concentrations of H in the J&C Account, even though he was aware of red flags.

VIOLATIVE CONDUCT BY RESPONDENT

NASD Rule 3010(a) provides, in relevant part, "[e]ach member shall establish and maintain a system to supervise the activities of each registered representative . . . that is reasonably designed to achieve compliance with applicable securities laws and regulations."

Based on the foregoing, from approximately March 2004 through August 2005, Respondent violated NASD Rules 2110 and 3010, by failing to reasonably supervise a

registered representative in his branch office with respect to the handling of two customer accounts.

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

1. A four-week suspension from association with any member firm in any supervisory capacity; and
2. A \$5,000 fine.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against him;
- B. To be notified of the Formal 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 General Counsel, 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.

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

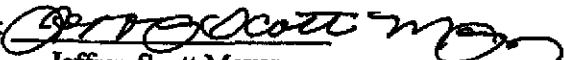
Respondent understands that:

- 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 actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof 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 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 it 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.

Respondent certifies that he has read and understood all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has 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 Respondent to submit it.

Date: 4/28/10

By: 
Jeffrey Scott Mayer

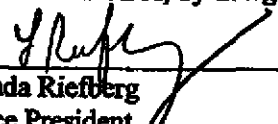
Reviewed by:


Arthur S. Greenspan, Esq.
Richards Kibbe & Orbe LLP
One Financial Center
New York, New York 10281-1003

Accepted by FINRA:

Date: 6/18/10

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


Linda Riefberg
Vice President
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