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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007009765701**

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

RE: Shawn Paul Arlauckas, Respondent
General Securities Representative
CRD No. 2877644

Pursuant to NASD 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

On November 12, 1997, Shawn Paul Arlauckas ("Arlauckas") became registered with FINRA (f/k/a National Association of Securities Dealers or NASD) through a member firm as a General Securities Representative (Series 7). In September 2001, he became registered through another member firm as a General Securities Principal (Series 24). From December 5, 2005 through February 20, 2007, he was registered as a General Securities Representative with member firm Financial Network Investment Corporation. From March 1, 2007 through July 14, 2008, Arlauckas was registered through another member firm as a General Securities Representative and a General Securities Principal. Arlauckas is not currently associated with a member firm.

RELEVANT DISCIPLINARY HISTORY

Since July 31, 2008, Arlauckas has been suspended from association with any FINRA member firm in any capacity based upon his failure to pay an arbitration award in connection with FINRA Dispute Resolution Arbitration Number 06-05037.

OVERVIEW

From January 2006 through January 2007, Arlauckas recommended unsuitable transactions and churned 13 of his customers' accounts. This conduct violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), Rule 10b-5 thereunder, NASD Conduct Rules 2310, 2120 and 2110 and IM-2310-2.

FACTS AND VIOLATIVE CONDUCT

From January 2006 through January 2007, Arlauckas, while exercising control over 13 of his customers' accounts, and while acting with the requisite scienter, excessively traded those accounts. The trading in those accounts resulted in annualized cost-to-equity ratios ranging from 25% to 426%. As a result of Arlauckas' trading, many of the customers, including an elderly investor, incurred substantial losses. By churning those accounts, Arlauckas violated Section 10(b) of the Exchange Act, Rule 10b-5 thereunder, NASD Conduct Rules 2120 and 2110 and IM-2310-2.

Arlauckas recommended those excessive securities transactions to the 13 customers without having reasonable grounds for believing that such transactions were suitable for them in view of the size and frequency of the transactions, the nature of the accounts, and the customers' financial situation, investment objectives and needs. By recommending unsuitable excessive transactions, Arlauckas violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

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

- 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 Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. 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 NASD Rule 8310 and IM-8310-1.)

The sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(e), 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 Formal Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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

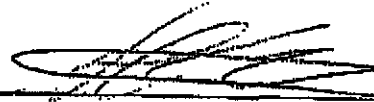
I understand that:

- 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 NASD 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 response to public inquiries about my disciplinary record;**
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; 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 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.

10/10/08

Date



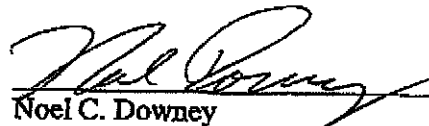
Shawn Paul Arlauckas
Respondent

Accepted by FINRA:

2/2/09

Date

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



Noel C. Downey
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FINRA Department of Enforcement
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