

FINRA

FINANCIAL INDUSTRY REGULATORY AUTHORITY 2013 SEP 23 AM 4: 33
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080123679-01

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

RE: Charles Scot Jacobi, Respondent
Registered Representative
CRD No. 1209710

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Charles Scot Jacobi, "Respondent" 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

Respondent, at all times relevant to this AWC, was a FINRA (or its predecessor, NASD) Registered Representative with Vining Sparks IBG, LP ("VSLP") (CRD # 27502), a FINRA Registered entity. Respondent first became registered at VSLP on March 28, 2005. Respondent is currently registered with VSLP.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In matter 20080123679, the Fixed Income Investigations staff of the Department of Market Regulation of FINRA ("the staff") conducted a review of trading activity at VSLP during the review period of January 1, 2007 through December 31, 2008 (the "review period").

As a result of that review, the staff concluded:

1. During the review period, in 50 transactions, Respondent's actions facilitated another member firm's purchase or sale of municipal securities for a commission or service charge that was in excess of a fair and reasonable amount, taking into consideration all relevant factors, including the availability of the securities involved in the transaction, the expense of executing or filling the customer's order, the value of the services rendered by the broker, dealer or municipal securities dealer, and the amount of any other compensation received or to be received by the broker, dealer, or municipal securities dealer in connection with the transaction. The conduct described in this paragraph constitutes separate and distinct violations of the Municipal Securities Rulemaking Board ("MSRB") Rule G-17.
2. During the review period, in 83 transactions, Respondent's actions facilitated another member firm's purchase or sale of securities for a commission or service charge that was in excess of a fair and reasonable amount, taking into consideration all relevant factors, including the availability of the securities involved in the transaction, the expense of executing or filling the customer's order, the value of the services rendered by the broker, or dealer, and the amount of any other compensation received or to be received by the broker, or dealer in connection with the transaction. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 2110.

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

A suspension in all capacities as a FINRA associated person for one month and a fine of \$25,000 (\$10,000 attributable to the MSRB for the violations of MSRB Rule G-17). In addition, Respondent agrees to an order to re-qualify by examination for the Series 7 and 63 licenses prior to associating with any FINRA member firm once the suspension is served.

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.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

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 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 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 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 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

9/19/2013
Date

Respondent

By: 
CHARLES JAVAI

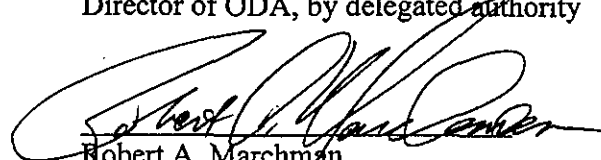
Reviewed by:


Martin Shea
Counsel for Respondent

Accepted by FINRA:

10/24/13
Date

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


Robert A. Marchman
Executive Vice President
Department of Market Regulation