

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
OFFICE OF HEARING OFFICERS**

**DEPARTMENT OF ENFORCEMENT,**

**Complainant,**

**v.**

**JITEN D. MEHTA,  
CRD No. 2242882**

**Respondent.**

**Disciplinary Proceeding  
No. 20080146589701**

**SEP 27 2010**

**Hearing Officer: RSH**

**ORDER ACCEPTING OFFER OF SETTLEMENT**

**Date: September 27, 2010**

**INTRODUCTION**

Disciplinary Proceeding No. 20080146589701 was filed on March 3, 2010, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Jiten D. Mehta submitted an Offer of Settlement (Offer) to Complainant dated August 15, 2010. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

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Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

### **BACKGROUND**

From on or about August 29, 2002, through on or about August 14, 2008, Respondent Mehta, who entered the securities industry in 1992, was associated with H.D. Vest Investment Services, where he was registered as a securities representative. Presently he is not associated with a FINRA registered firm. Pursuant to Article V, § 4 of FINRA's By-Laws, Respondent is subject to FINRA's jurisdiction for purposes of this Complaint.

### **FINDINGS AND CONCLUSIONS**

It has been determined that the Offer be accepted and that findings be made as follows:

#### **FIRST CAUSE OF ACTION**

**(Willful Failure to Amend Form U4 to Disclose Material Facts)  
(Article V, § 2 of FINRA and NASD By-Laws, IM-1000-1 and NASD Rule 2110)**

On March 7, 2006, Mehta was indicted by a federal grand jury in the United States District Court, District of Maryland on twenty-seven felony charges under 26 U.S.C. § 7206(2) (aiding and assisting preparation of false tax returns), 18 U.S.C. § 1343 (wire fraud), and 18 U.S.C. § 1957 (money laundering).

Mehta appeared for trial in the above criminal proceeding, and on or about September 27, 2007 was convicted of sixteen felony violations of 26 U.S.C. § 7206(2) and nine felony violations of 18 U.S.C. § 1343. He was sentenced on April 21, 2008 and is currently in prison for these convictions.

Notwithstanding the fact that Mehta was continuously registered with H.D. Vest from August 2002 through August 2008, he failed to amend his Form U4 to disclose the 2006 felony

charges or the 2007 felony convictions. Form U4 question 14(A)(1) requires the disclosure of felony charges and convictions.

The first notice Mehta provided to the firm relating in any way to the criminal charges or convictions was his request in or around July 2008 to H.D. Vest to liquidate his deferred compensation account. In connection with that request, Mehta stated that he needed the funds for legal fees. Only after the firm inquired about the nature of the legal fees did Mehta eventually disclose that he would soon begin a prison sentence relating to multiple felony convictions.

Article V, Section 2(c) of FINRA's By-Laws requires all applicants and registered persons to keep their applications current by filing supplementary amendments within 30 days of learning the facts or circumstances giving rise to the amendment.

Mehta failed to file supplementary amendments to his FINRA registration application to disclose the felony indictments or convictions within 30 days of those events, or at any other time.

Disclosure of felony charges against and convictions of applicants or registered persons is material to FINRA's ability to evaluate the fitness of individuals seeking entry to or continued employment in the securities industry, as well as to a member firm's ability to screen prospective and current employees.

Mehta willfully failed to amend his Form U4 to disclose his indictment for 27 felonies and conviction of 25 felonies.

By virtue of the foregoing, Mehta violated Article V, § 2 of FINRA and NASD By-Laws, NASD Registration Rule IM 1000-1 and NASD Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA of its regulatory responsibility under the Securities Exchange Act of 1934.

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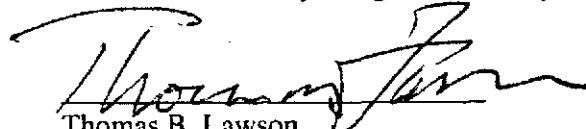
### **SANCTIONS**

It is ordered that Respondent be barred from associating with any FINRA member. The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read 'Thomas B. Lawson', is written over a horizontal line.

Thomas B. Lawson  
Vice President and Chief Counsel  
FINRA Department of Enforcement  
1801 K Street, NW Suite 800  
Washington, DC 20006  
Telephone: (202) 974-2717  
FAX: (202) 721-8374