

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009017481401**

RECEIVED

2009 JUN 19 A 7:07

REGISTRATION & DISCLOSURE

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

RE: Jamie Patrick Lake, Respondent
CRD No. 4773616

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jamie Patrick Lake ("Lake" or "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

Lake first became associated with a FINRA regulated broker-dealer in March 2004. He became associated with Questar Capital Corporation ("Questar" or the "Firm") in December 2006 and was registered with the Firm as an Investment Company/Variable Contracts Products Limited Representative (Series 6) from December 1, 2006 until his termination on March 27, 2009. Lake has not been registered with any FINRA regulated broker-dealer since his registration with Questar was terminated on March 27, 2009. FINRA retains jurisdiction over Lake pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated broker-dealer and this AWC has been filed within two years after the effective date of Lake's last termination of registration from a FINRA regulated broker-dealer.

OVERVIEW

Between May 2006 and March 2009 ("the review period"), Lake solicited 36 customers to invest approximately \$729,500 in four different investment schemes. In each of the four schemes, Lake solicited customers to invest money with [REDACTED] and then [REDACTED]

000061170 2009

misappropriated the customers' funds for his personal use. By use of these schemes, Lake misappropriated approximately \$671,000 from his customers.

By virtue of his conduct, Lake violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2330, 2120, 2110 and IM-2310-2.

FACTS AND VIOLATIVE CONDUCT

In or around May 2006, Lake formed JPL Financial ("JPL"), a firm that offered investors various insurance and securities products. Lake advertised his business through a weekly radio talk-show he co-hosted entitled, "Money-in-Motion," and through one-minute daily radio spots called, "It's Your Money," both of which were widely broadcast throughout northeastern Pennsylvania. Lake offered his securities products through Questar and another FINRA regulated broker-dealer with which he was associated prior to Questar. During the review period, Lake solicited 36 customers to invest approximately \$729,000 with him in fraudulent investment schemes. Lake converted more than approximately \$671,000 of the \$729,000 for his personal use. Lake solicited funds from the 36 customers through the following fraudulent investment schemes.

I. The JPL Investment Scheme

Between May and July 2006, Lake solicited nine customers to invest in his firm, JPL, by offering investors an ownership interest in JPL. The nine investors entered into contracts with Lake that provided that in exchange for an investment in JPL, the investor would receive between a 2-8% ownership interest in JPL, "with that percentage paying out to [the investor] each year of the net profits of our business." The nine investors wrote checks to JPL in amounts of between \$3,000 and \$40,000, for a total of \$123,000. Of this amount, Lake converted approximately \$93,000 for his personal use. He returned the remaining \$30,000 to 2 customers. Lake's actions constitute violations of NASD Conduct Rules 2110 and IM-2310-2.

II. The Real Estate Investment Trust Scheme

Between November 2006 and December 2008, Lake solicited 14 customers to invest in a "special investment opportunity" involving real estate investment trusts ("REITs"). At the time that he solicited the customers, Lake knowingly misrepresented to them that he could obtain REITs at a discounted price of \$9-\$10 per share before they went to the market and that the REITs would be worth approximately \$12-\$13 per share when they became available to the general public. Lake directed the customers to make their investment checks payable to Lake or JPL. The 14 customers gave Lake approximately \$157,000 to invest in the REITs, which did not exist. Lake did not invest any of the money in REITs. Instead, Lake converted \$138,250 for his personal use. He returned \$18,750 to two investors. Lake's actions constitute violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2330, 2120, 2110 and IM-2310-2.

III. The Annuity Scheme

Between December 2006 and December 2008, Lake solicited 17 customers to purchase fixed-income annuity insurance contracts with various companies. Lake told his customers that they would receive an upfront "bonus" of approximately 5% of the principal and a "guaranteed" return of 4-6% on principal over the next five years. The 17 customers filled out actual annuity contracts and, in accordance with Lake's instructions, they made their checks payable to either Lake or JPL. In total, these customers gave Lake checks totaling approximately \$421,700 for the annuities. Lake never submitted the annuity contracts to the insurance companies. Instead, Lake fabricated letters and statements on the insurance companies' letterhead to make it appear that the customers owned the annuities. Lake used approximately \$412,271 for his personal use and returned \$9,429 to one of the customers. Lake's actions constitute violations of NASD Conduct Rules 2110 and IM-2310-2.

IV. Equities Investment Scheme

Between January 2007 and December 2008, Lake solicited four JPL customers to open brokerage accounts with Questar and purchase stocks. As Lake directed, these customers wrote checks made payable to Lake or JPL, totaling approximately \$27,800. Lake did not purchase any securities for his customers with their funds. Instead, Lake converted the \$27,800 for his personal use. Lake's actions constitute violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2330, 2120, 2110 and IM-2310-2.

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

- A bar from association with any FINRA member in any capacity.

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 AWC.

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 FINRA Rules 8310 and 8311). 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, submission will not be used as evidence to prove any of the allegations against me;

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 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.

Date

6/12/09

Jamie P. Lake

Accepted by FINRA:

Date

6/18/09

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

Julie Han Broderick
Director

FINRA Department of Enforcement
14 Wall Street, 14th Floor
New York, NY 10005
(646) 315-7313