

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

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

JAMES E. ROONEY, JR.,
(CRD 1857754)

RESPONDENT.

DISCIPLINARY PROCEEDING
No. 2009019042402

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From January 2007 through April 2007, James E. Rooney, Jr. ("Rooney" or "Respondent"), the President, Chief Compliance Officer and Branch Office Manager of Fox Financial Management Corp. ("Fox" or the "Firm"), failed to reasonably supervise the activities of HW, a registered representative of the Firm, regarding HW's solicitations and sales of securities away from the Firm in the form of installment plan contracts offered by National Foundation of America ("NFOA"). As outlined below, Respondent also violated NASD Rules in connection with his own participation in the solicitation and sale of a separate NFOA contract.

2. Pursuant to the installment plan contracts offered by NFOA, investors transferred their ownership of stocks, annuities, real estate or cash to NFOA in exchange for fixed annual payments over a term chosen by the investor. From January 2007 through April 2007, HW completed sales of at least two NFOA installment plan contracts

with a combined approximate value of \$71,700. In June 2007, amidst allegations that NFOA directors had used investor funds to pay personal expenses, lease vehicles for personal use and purchase a condominium, the State of Tennessee placed NFOA in receivership and, later into liquidation.

3. Respondent knew or, based upon facts known to him and reasonable inquiry, should have known, that HW was engaged in the sale of securities in the form of NFOA installment plan contracts and permitted HW to engage in these solicitations and sales without first conducting an adequate due diligence inquiry regarding NFOA and its product offerings.

4. NFOA represented itself to the public as a charitable organization. In or about January 2006, NFOA submitted its application for Recognition of Exemption under §501(c)(3) of the Internal Revenue Code to the Internal Revenue Service (the "Application"). The Application remained pending until in or about December 2007, when it was denied by the Internal Revenue Service ("IRS").

5. Respondent did not require HW to submit a written request for approval to participate in the NFOA private securities transactions away from the Firm and did not provide to HW written approval to participate in those transactions as required by NASD rules and the Firm's written policies and procedures. Respondent also failed to review the NFOA advertising and sales materials provided to him by HW for compliance with NASD advertising rules as required by those rules and by the Firm's written policies and procedures.

6. Respondent, therefore, failed to reasonably supervise HW's participation in the solicitation and sale of the NFOA installment plan contracts in violation of NASD Rules 3010 and 2110.

7. Respondent sold to one customer a NFOA installment plan contract which is a security without first providing written notice to and receiving written approval from the Firm principal charged with reviewing Respondent's transactions.

8. Respondent sold the above-referenced NFOA installment plan contract without first conducting an adequate due diligence inquiry. Respondent also misrepresented to his customer that NFOA was a tax-exempt charitable organization under §501(c)(3) of the Internal Revenue Code and that the customer was entitled to receive a tax deduction in connection with his NFOA investment. Neither of these representations was true.

9. In connection with his above-referenced sale of a NFOA installment plan contract, Respondent presented sales literature to his customer that contained an oversimplified and exaggerated presentation of investment returns and misleading, oversimplified and incomplete descriptions of the touted tax deductions and tax savings.

10. Respondent, therefore, violated NASD Rule 3040 by participating in a private securities transaction without providing prior written notice to his FINRA registered broker-dealer employer; NASD Rule 2310 by failing to exercise reasonable due diligence regarding the suitability of the NFOA product for sale to investors; NASD Rule 2210 by providing a customer with unapproved sales literature containing false and misleading information; and NASD Rule 2110 by negligently making material

misrepresentations to an investor and failing to observe high standards of commercial honor and just and equitable principles of trade.

RESPONDENT AND JURISDICTION

11. Respondent entered the securities industry in 1988 as a Registered Representative with a FINRA-registered broker dealer. He has since been associated with three securities-related entities including two FINRA-registered broker dealers. Respondent obtained a Series 7 securities license and a Series 63 securities license in August 1988 and December 1988 respectively. Respondent also obtained a Series 24 securities license in April 1990. All three securities licenses were in effect from January 2007 through April 2007 – the time period of the events described herein.

12. From May 2004 through the present, Respondent was employed as a registered representative with Fox. Beginning in May 2005 through January 2008, Respondent was the Firm's Chief Compliance Officer ("CCO"). Beginning in September 2005, Respondent was also the Firm's President. During 2007, Respondent was also the Branch Office Manager of the Firm's only branch.

13. Respondent is presently associated with a FINRA-registered broker dealer and remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws.

FIRST CAUSE OF ACTION Failure to Supervise NFOA-Related Activities by Firm Employees (NASD Rules 3010 and 2110)

14. The Department realleges and incorporates by reference paragraphs one through 13 above.

15. NASD Rule 3010(a) requires each member to “establish a system to supervise the activities” of the Firm “that is reasonably designed to achieve compliance with applicable securities laws, regulations, and with applicable NASD rules.”

16. NASD Rule 2110 requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

17. During 2007, Respondent was the Firm’s CCO and HW’s branch office manager and supervisor. In those capacities, Respondent had an obligation pursuant to NASD Rule 3010 to supervise HW in a manner consistent with applicable laws, rules and regulations, including NASD Rules 2310, 3040, 2210 and 2110 applicable to HW’s conduct of a securities business.

Failed to Conduct Adequate Due Diligence

18. NASD Rule 2310 requires FINRA registered broker-dealers to have reasonable grounds to believe that a product’s recommendation could be suitable for at least some customers. In making this determination, responsible persons must conduct an adequate due diligence inquiry regarding the product in order to understand its potential risks and rewards.

19. In or about January 2007, HW advised Respondent about NFOA and the installment plan contracts it offered to investors. HW provided Respondent with NFOA prepared advertisements in the form of a NFOA Brochure and a NFOA Flyer and advised Respondent that HW was interested in engaging in the sale of installment plan contracts issued by NFOA.

20. The NFOA Brochure included claims that NFOA helps “millions of needy men, women and children around the world” and that its asset exchange programs

provided a “generous income tax deduction” and “guaranteed income that grows each year.”

21. The NFOA Brochure touted NFOA’s choice of SEI Private Trust as the institution where assets are held and falsely indicated that SEI Private Trust segregates the assets of NFOA investors.

22. The NFOA Flyer provided examples of the NFOA investment relative to the transfer of different assets, including real estate, annuity and securities in exchange for an NFOA installment plan contract. The NFOA Flyer also contained references to “guaranteed income” and promised investors an income tax deduction.

23. In or about January 2007, Respondent had conversations with the president and other representatives of NFOA. During those conversations, representatives of NFOA told Respondent that NFOA was recognized by the IRS as a charitable non-profit organization under §501(c)(3) of the Internal Revenue Code.

24. After reviewing the NFOA Brochure and the NFOA Flyer and participating in conversations with NFOA representatives, Respondent allowed HW to engage in sales of NFOA installment plan contracts.

25. In the course of conducting NFOA-related inquiries, Respondent failed to verify NFOA’s claim that it had been approved by the IRS as a tax-exempt, charitable organization under §501 (c)(3) of the Internal Revenue Code.

26. Had he done so, Respondent would have learned that NFOA’s application for status as a tax exempt organization under §501(c)(3) of the Internal Revenue Code had not been granted by the IRS and remained pending.

27. The NFOA Brochure and the NFOA Flyer represented that NFOA investors would be entitled to a tax deduction in connection to their NFOA investment as noted above.

28. In the course of conducting NFOA-related inquiries, Respondent failed to inquire or otherwise obtain information concerning the availability of a tax deduction to NFOA investors pursuant to §501(c)(3) of the Internal Revenue Code.

29. Had he done so, Respondent would have learned that under the Internal Revenue Code, individuals who invest in products issued by purported charitable organizations whose application for tax exempt status is pending before the IRS are not guaranteed receipt of a tax benefit unless and until the IRS ultimately approves the organization's §501(c)(3) application.

30. The NFOA Brochure and the NFOA Flyer each indicated that investors would receive "guaranteed" income in connection with a NFOA investment.

31. Respondent failed to conduct any inquiry regarding the manner and/or mechanism by which NFOA could "guarantee" returns to its investors, including the manner in which the funds of NFOA customers would be "segregated" and invested and the identity of the person(s) or entities responsible for the management of such funds.

32. Had he done so, Respondent would have learned that NFOA investor funds were typically deposited in custodial accounts held by SEI Private Trust Company in the name of NFOA and not segregated by individual investors. Further, Respondent would have learned that investments made in those accounts included, among other things, various mutual funds, individual stocks and American Depositary Receipts of foreign issuers, all of which were subject to market risk.

33. In the course of reviewing the NFOA product, Respondent failed to conduct adequate research, on the internet or otherwise, concerning NFOA and its principals.

34. Had he done so, Respondent would have learned that on or about September 18, 2006, the State of Washington issued a Cease & Desist Order against NFOA and two of its officers directing NFOA and its officers to cease engaging in or transacting the unauthorized business of insurance and to cease advertising purportedly charitable contracts and annuities, among other things. The State of Washington posted this Cease & Desist Order on its website on or about on or about September 18, 2006, which was months before HW advised Respondent of the existence of NFOA.

35. Had he conducted reasonable due diligence concerning NFOA, Respondent would have learned the facts as identified in paragraphs 16 to 33 above.

36. Respondent, therefore, violated NASD Rules 3010 and 2110 by failing to conduct adequate and reasonable due diligence regarding NFOA and the products it offered.

Failed to Ensure Compliance with Notice Requirements of Private Securities Transactions

37. NASD Rule 3040 requires an associated person to provide written notice to his FINRA-registered broker-dealer employer prior to participating in any private securities transaction. The notice must describe in detail the proposed transaction and the person's proposed role therein and state whether he has received or may receive selling compensation in connection with the transaction. In instances in which the associated person may receive or will receive compensation in connection with the private securities transactions, NASD Rule 3040(c) requires members to provide associated persons with

written approval or disapproval of the associated person's participation in the private securities transaction.

38. The Firm's written supervisory procedures ("WSP"), in effect during 2007, required its associated persons to provide written notice to the Firm prior to participating in any private securities transactions describing in detail the proposed private securities transaction; the person's proposed role therein; and whether they had received or may receive selling compensation in connection with the private securities transaction. The Firm's written supervisory procedures further called for the designated supervisory principal to approve or disapprove in writing any associated person's request to engage in the private sale of securities outside of their normal association with the Firm.

39. Respondent was aware from at least January 2007 that HW intended to engage in the solicitation and sales of NFOA installment plan contracts. Respondent was also aware from at least January 2007 that HW expected to receive compensation in connection with his future sales of NFOA installment plan contracts and that any such sales would occur away from the Firm.

40. In or about March and April 2007, HW engaged in the solicitation and sale of NFOA installment plan contracts to two different investors away from the Firm. Neither investor was a customer of FOX.

41. Respondent failed to insure that HW provided to the Firm written notice of his participation in the sale of NFOA installment plan contracts.

42. Respondent failed to approve or disapprove in writing HW's participation in the sales of NFOA installment plan contracts.

43. Respondent violated NASD Rules 3010 and 2110 by failing to insure compliance with the requirements of NASD Rule 3040 and the Firm's own policies and procedures related to HW's participation in the sale of NFOA installment plan contracts.

Failed to Ensure Compliance with NASD Advertising Regulations

44. NASD Rule 2210(d)(1)(A) requires all member communications with the public to be based on principles of fair dealing and good faith, fair and balanced and to provide a sound basis for evaluating facts in regard to any particular security or type of security.

45. NASD Rule 2210(d)(1)(B) prohibits members from making any false, exaggerated, unwarranted or misleading statement or claim in any communication with the public.

46. NASD Rule 2210(b)(1) requires a registered principal of a member to approve by signature or initial and date each advertisement, item of sales literature and independently prepared reprint before the earlier of its use or filing with NASD's Advertising Regulation Department.

47. The Firm's WSPs called for the Designated Supervisory Principal to review and approve all advertising, sales literature and other similar materials used by the company in accordance with applicable federal and state laws, rules and regulations. The WSPs further prohibited omissions of material fact, false, exaggerated, misleading or unwarranted statements or claims and promises of specific results.

48. The NFOA Brochure represented that its asset exchange programs provided a "generous income tax deduction" and "guaranteed income that grows each year." The NFOA Brochure further represented that the "safety and security" of its assets

was paramount to NFOA. The NFOA Brochure lacked any disclosure that investor assets were subject to market risk.

49 The NFOA Flyer contains repeated references to the “guaranteed income” and “income tax deductions” associated with the NFOA investment.

50. NFOA investors were not guaranteed receipt of a tax deduction as noted above. References in the NFOA Brochure and the NFOA Flyer to the availability of a tax deduction related to a NFOA investment were false and misleading and failed to present a fair and balanced view of the NFOA product.

51. References in the NFOA Brochure and the NFOA Flyer to “guaranteed income” were oversimplified and misleading without clear disclosure of the basis and criteria of the guarantee.

52. Investor funds received by NFOA were subjected to financial abuse. References in the NFOA Brochure to the “safety and security” of assets were false and misleading and failed to present a fair and balanced view of the NFOA product.

53. The NFOA Brochure did not meet the standards applicable to advertisements that are set forth in NASD Rule 2210 as set forth above.

54. The NFOA Flyer did not meet the standards applicable to sales literature that are set forth in NASD Rule 2210 as noted above.

55. During 2007, Respondent was designated with responsibility to approve all sales literature prior to use.

56. Respondent was aware that HW was involved in the sales of NFOA installment plan contracts. Respondent knew or should have known that HW presented

to investors and/or potential investors copies of the NFOA Brochure and the NFOA Flyer.

57. Respondent failed to review the NFOA Brochure and the NFOA Flyer for compliance with NASD advertising rules. Respondent also failed to approve and/or disapprove use of the NFOA Brochure and the NFOA Flyer prior to its distribution to members of the public in connection with HW's NFOA sales.

58. Respondent violated NASD Rules 3010 and 2110 by failing to insure compliance with the requirements of NASD Rule 2210 related to HW's participation in the sale of NFOA installment plan contracts.

59. The acts, practices and conduct described above constitute a violation of NASD Rules 3010 and 2110.

**SECOND CAUSE OF ACTION
Private Securities Transaction
(NASD Rules 3040 and 2110)**

60. The Department realleges and incorporates by reference paragraphs one through 59 above.

61. NASD Rule 3040 requires an associated person to provide written notice to his FINRA-registered broker-dealer employer prior to participating in any private securities transaction. The notice must describe in detail the proposed transaction and the person's proposed role therein and state whether he has received or may receive selling compensation in connection with the transaction. In instances in which the associated person may receive or will receive compensation in connection with the private securities transactions, NASD Rule 3040(c) requires members to provide associated persons with

written approval or disapproval of the associated person's participation in the private securities transaction.

62. During 2007, Respondent was the assigned registered representative on several Firm customer accounts. His account activities were supervised by SB, the Firm's Operations Manager and Chief Financial Officer.

Investor JN

63. In or about March 2007, Respondent solicited and sold an installment plan contract issued by NFOA to his customer JN ("Investor JN"). At the time, Investor JN was a customer of Fox, approximately 61 years old and in ill health.

64. Respondent expected to receive compensation from NFOA in connection with his solicitation and sale of the NFOA installment plan contract to Investor JN.

65. In the course of soliciting and selling the NFOA installment plan contract to Investor JN, Respondent presented Investor JN with a NFOA Installment Plan 1099 Statement ("1099 Statement") and an explanatory fact sheet entitled "Exchanging Annuities for NFOA Installment Plan Immediate 10-Year Period Certain Income Stream" ("Explanatory Statement").

66. The Explanatory Statement indicated that Investor JN could exchange an existing annuity with an accumulated value of approximately \$63,675.46 for an NFOA installment plan contract that promised over a ten-year, non-deferred term, to make 120 monthly installment payments of \$530.51. The total payout over the life of the contract was represented to be approximately \$63,661.65. The Explanatory Statement further indicated that an "income tax deduction" of \$24,975 and a "total tax free" amount of

\$49,780.49 would result from the investment. Respondent discussed these terms with Investor JN.

67. Pursuant to the terms of the NFOA Installment Plan Contract and Agreement signed by Investor JN on or about March 20, 2007, he exchanged an existing annuity for an NFOA installment plan contract that promised, over a ten-year, non-deferred term, to make 120 monthly installment payments of \$530.51. Respondent discussed these terms with Investor JN.

68. As of September 2006, Investor JN's existing annuity had a surrender value of \$55,314.87 and an accumulated value of approximately \$63,675.46.

69. In or about March 21, 2007, Respondent signed the Investor JN NFOA Installment Plan Contract and Agreement as the "Financial Advisor."

70. In or about March 2007, Respondent submitted Investor JN's executed NFOA Installment Plan Contract and Agreement as well as transfer of ownership documents for the exchanged annuity executed by Investor JN to NFOA.

71. On or about March 22, 2007, NFOA forwarded to the insurance company that held Investor JN's annuity a letter attaching the transfer of ownership documents executed by Investor JN and requesting that ownership of Investor JN's annuity be transferred to NFOA.

72. Ownership of Investor JN's existing annuity never transferred to NFOA.

73. Respondent did not receive compensation in connection with his sale of an NFOA Installment Plan Contract to Investor JN.

74. The NFOA installment plan contract solicited and/or sold by Respondent was a security.

75. Respondent participated in the solicitation and sale of the NFOA installment plan contract to Investor JN without providing prior written notice to his FINRA registered broker dealer.

76. The acts, practices and conduct described above constitute a violation of NASD Rules 3040 and 2110.

**THIRD CAUSE OF ACTION
Reasonable Basis Suitability
(NASD Rules 2310 and 2110)**

77. The Department realleges and incorporates by reference paragraphs one through 76 above.

78. NASD Rule 2310 requires that in recommending to a customer the purchase, sale or exchange of any security, a member shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs.

79. NASD Rule 2310 also encompasses “reasonable basis” suitability that requires a broker to have an adequate and reasonable basis for any recommendation that he makes. The “reasonable basis” test relates only to the particular recommendation, rather than to the particular customer.

80. The NFOA Installment Plan Contract sold by Respondent to Investor JN stated that NFOA was recognized by the IRS as a charitable non-profit organization under Section 501(c)(3) of the Internal Revenue Code.

81. Prior to soliciting and selling the NFOA installment plan contract to Investor JN, Respondent failed to verify NFOA’s claims that it had been approved by the

IRS as a tax exempt non-profit organization under §501(c)(3) of the Internal Revenue Code.

82. Had he done so, Respondent would have learned that NFOA's application for status as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code had not been granted by the Internal Revenue Service and remained pending as noted above.

83. The Explanatory Statement represented that NFOA investors would receive a tax deduction in connection to their NFOA investments. Respondent also made that representation to Investor JN.

84. Prior to soliciting and selling the NFOA installment plan contract to Investor JN, Respondent failed to inquire or otherwise obtain information concerning the availability of a tax deduction to NFOA investors pursuant to §501(c)(3) of the Internal Revenue Code.

85. Had he done so, Respondent would have learned that under the Internal Revenue Code, individuals who invest in products issued by purported charitable organizations whose application for tax exempt status is pending before the IRS are not guaranteed receipt of a tax benefit unless and until the IRS ultimately approves the organization's §501(c)(3) application.

86. The Explanatory Statement that Respondent presented to Investor JN indicated that the investor would receive a "guaranteed payout for a guaranteed period of time." Respondent also made this representation to Investor JN.

87. Prior to soliciting and selling the NFOA installment plan contract to Investor JN as described above, Respondent failed to determine the manner in which the

promised payout was guaranteed. Specifically, Respondent failed to determine the manner in which customer funds were invested by NFOA and the identity of the person(s) or entities responsible for the management of such funds.

88. Had he done so, Respondent would have learned that NFOA investor funds were typically deposited in custodial accounts held by SEI Private Trust Company in the name of NFOA and that investments made in these accounts included, among other things, various mutual funds, individual stocks and American Depositary Receipts of foreign issuers. Thus, Respondent would have learned that customer funds were subject to market risk.

89. Prior to soliciting and selling the NFOA installment plan contracts as described above, Respondent failed to conduct adequate research, on the internet or otherwise, concerning NFOA, its product and history.

90. Had he done so, Respondent would have learned that on or about September 18, 2006, prior to his NFOA sale, the State of Washington issued a Cease & Desist Order against NFOA and two of its officers directing NFOA and its officers to cease engaging in or transacting the unauthorized business of insurance and to cease advertising purportedly charitable contracts and annuities, among other things. The State of Washington posted this Cease & Desist Order on its website on or about September 18, 2006.

91. Had he conducted reasonable due diligence concerning NFOA, Respondent would have learned the facts as identified in paragraphs 75 to 85 above.

92. Respondent, therefore, lacked an adequate and reasonable basis for making the NFOA recommendation to Investor JN.

93. The acts, practices, conduct and omissions described above constitute separate and distinct violations of NASD Rules 2310 and 2110.

**FOURTH CAUSE OF ACTION
Misrepresentations
(NASD Rule 2110)**

94. The Department realleges and incorporates by reference paragraphs one through 93 above.

95. NASD Rule 2110 requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

96. In soliciting the sale of the NFOA installment plan contract to Investor JN, Respondent represented to him that NFOA was a tax exempt charitable organization under §501(c)(3) of the Internal Revenue Code.

97. Respondent lacked an adequate basis to make the above-referenced representations, which was not true.

98. In soliciting the sale of the NFOA installment plan contract to Investor JN, Respondent represented to him that he was entitled to receive a tax deduction/benefit in connection with his investment.

99. Respondent lacked an adequate basis to make the above-referenced representation, which was not true.

100. The above-referenced misrepresentations are material as the tax-exempt status of NFOA and the resulting tax benefits would be considered significant by a reasonable investor considering the NFOA product.

101. The acts, practices and conduct described above constitute separate and distinct violations of NASD Rule 2110.

FIFTH CAUSE OF ACTION
Misleading Sales Materials
(NASD Rules 2210(d)(1)(A), 2210(d)(1)(B) and 2110)

102. The Department realleges and incorporates by reference paragraphs one through 101 above.

103. Pursuant to NASD Rule 2210(d)(1)(A), all member communications with the public must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating facts in regard to any particular security or type of security.

104. NASD Rule 2210(d)(1)(B) prohibits members from making any false, exaggerated, unwarranted or misleading statement or claim in any communication with the public.

105. In the course of soliciting Investor JN's NFOA investment, Respondent presented him with an Explanatory Statement and a 1099 Statement. The Explanatory and 1099 Statements are items of sales literature under NASD Rule 2210(a).

The Explanatory Statement

106. The Explanatory Statement provides an illustration of a proposed NFOA investment involving the exchange of investor JN's existing annuity with an accumulated value of approximately \$63,675.46 for an NFOA installment plan contract which would make monthly installment payments over a 10-year non-deferred term.

107. The Explanatory Statement reflects dollar values purporting to be the total payout over the life of the proposed contract, the available income tax deduction and the "total tax free" amount or tax savings available with the proposed investment. The

Explanatory Statement also contains a brief discussion regarding the forgoing dollar values.

108. The Explanatory Statement failed to reflect that the total payout amount includes a return on principal or a description of the rate of return. These omissions provide an oversimplified and exaggerated presentation of investment returns.

109. The Explanatory Statement's descriptions concerning tax deductions and tax savings are oversimplified, incomplete and misleading. Further, the Explanatory Statement provides no explanation of how the tax figures were derived.

The 1099 Statement

110. The 1099 Statement detailed the number and amount of scheduled payments that investor JN would purportedly receive in exchange for the transferred asset and, in columns titled "reported as tax free" and "ordinary income," listed that portion of the annual payment which was to be "reported as tax free" and that portion which was to be reported as "ordinary income."

111. The 1099 Statement column entitled "reported as tax free" created the false impression that the amounts listed represented tax free income.

112. By presenting to Investor JN the above-described Explanatory and 1099 Statements, Respondent distributed misleading sales literature.

113. The acts, practices and conduct described above constitute separate and distinct violations of NASD Rule 2210(d)(1)(A), 2210(d)(1)(B) and 2110.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: 12/12/12

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