

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009019512901**

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

RE: Jason S. Haney, Respondent
General Securities Representative,
General Securities Sales Supervisor, and
Investment Company and Variable Contracts Products Representative
[CRD No. 4333126]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jason S. Haney, 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

Jason S. Haney entered the securities industry on February 21, 2001, as an Investment Company and Variable Contracts Products Representative of FINRA registered firm Wachovia Securities, LLC (n/k/a Wells Fargo Advisors, LLC). Haney, during all periods mentioned herein, was associated with FINRA registered firm Wells Fargo Advisors, LLC and was registered with FINRA under Article V of the By-Laws as a General Securities Representative, General Securities Sales Supervisor, and an Investment Company and Variable Contracts Products Representative. Jason S. Haney has not previously been the subject of a formal disciplinary action by any regulatory body.

Jason S. Haney is not currently registered with a FINRA registered firm, but he remains subject to the jurisdiction of FINRA until December 1, 2012, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

RELEVANT DISCIPLINARY HISTORY

Respondent Haney has not been the subject of prior regulatory discipline.

OVERVIEW

Respondent Haney made negligent misrepresentations in connection with the recommendation of a variable annuity to customer R.M. in June, 2007. Additionally, the variable annuity was unsuitable for R.M. because of her age, lack of sophistication, and financial needs. Respondent Haney's conduct, therefore, violated NASD Conduct Rules 2110 and 2310, respectively.

FACTS AND VIOLATIVE CONDUCT

In June 2007, R.M. was 67 years of age and retired. She was an extremely unsophisticated customer and relied primarily on verbal, as opposed to written, information. When her CD held in her IRA of \$208,000 matured at Wachovia Bank, her banker referred her to Respondent Haney for investment advice. R.M. expressed to Respondent Haney that she wanted to obtain a better rate than that provided by her prior CD investment. R.M. explained to Respondent Haney that she wanted to earn extra money to supplement her Social Security income. She also informed Respondent Haney that she would need access to the money within the next two to four years.

Respondent Haney recommended that R.M. invest in the AXA Equitable Accumulator Elite Variable Annuity with a 6% Guaranteed Minimum Income Benefit with Annual Reset rider (the "GMIB rider"). The GMIB rider provides a 6% guaranteed income benefit. The variable annuity also provides a free withdrawal feature, which provides a customer the option to withdraw up to 10% of the contract value each year without incurring a surrender charge.

The 6% guaranteed income benefit is only available after the contract has been held for at least ten years and then, only after the owner elects to annuitize the contract (i.e. convert the contract to a payout option) to obtain this benefit. Once the contract is annuitized, the owner benefits from minimum income payments for the remainder of his or her life. Those income benefit payments may be higher than the principal investment, depending on market performance and certain ratchet and/or roll-up features of the benefit base to lock in returns, but they are guaranteed not to be lower, subject to certain withdrawal consequences.

The variable annuity's free withdrawal feature affects the guaranteed income benefit. In general, any withdrawals an owner takes during a contract year correspondingly reduce the guaranteed income benefit base. If a contract owner limits those withdrawals to 6% (or less) annually of the ratcheted-up and/or rolled-up benefit base, he or she will offset the 6% growth of the benefit base on a dollar-for-dollar basis. By employing this withdrawal strategy, the benefit base can remain unchanged from the principal investment year-to-year, and the contract owner can immediately have access to up to 6% of the growth of the benefit base. Withdrawals that exceed 6% of the ratcheted-up and/or rolled-up benefit base will consequently reduce the benefit base on a pro-rata basis, which would ultimately decrease the post-annuitization guaranteed income benefit.

Negligent Misrepresentations

Respondent Haney negligently misrepresented the GMIB rider's 6% guaranteed income benefit and the variable annuity's free withdrawal feature to R.M because he did not clearly explain how the free withdrawal feature could affect the 6% guaranteed income benefit. He used the terms "income" and "withdrawal" interchangeably and did not distinguish between the two. He represented to R.M. that she could exercise the GMIB rider for a 6% income stream without annuitization. Respondent Haney's negligent misrepresentations led R.M. to understand that she could receive a 6% income stream every year and then receive her entire initial principal back at the end of the variable annuity's four year holding period, regardless of the stock market's performance and regardless of any withdrawals in the intervening years. R.M. also understood, based on Respondent's Haney's misrepresentations, that the annuity had a four-year holding period similar to a CD term. These negligent misrepresentations induced R.M. to invest \$168,550.53 in the variable annuity with the GMIB rider.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Respondent Jason S. Haney

Unsuitable Recommendations

Additionally, Respondent Haney's recommendation that R.M. purchase the variable annuity and the GMIB rider was unsuitable. First, R.M. was not a sophisticated investor and did not understand how the variable annuity worked. Second, R.M. informed Respondent Haney that she would need access to the funds within two to four years. This shorter holding period and need for liquidity negated the GMIB rider's primary benefit of providing guaranteed income payments after a minimum ten-year period. Last, R.M.'s entire liquid net worth, including the \$168,550.53 invested in the variable annuity, was approximately \$218,000. Because the recommended transaction involved an over concentration of R.M.'s liquid net worth, approximately 77%, the investment was unsuitable.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2310 by Respondent Jason S. Haney.

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

1. a fine in the amount of \$10,000, which includes the disgorgement of commissions received by Haney in the amount of \$5,477.86;
2. a two-month suspension from association with any FINRA registered firm in all capacities; and
3. a requirement that Jason S. Haney requalify by examination as an Investment Company/Variable Contracts Representative (Series 6) prior to becoming reassociated with any member of FINRA in any capacity.

The fine shall be due and payable either immediately upon reassociation with a FINRA member following the two-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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.

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:

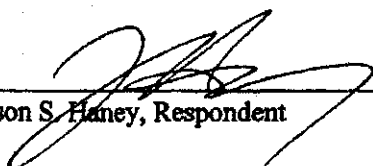
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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 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.

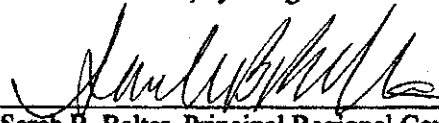
April 6, 2011
Date


Jason S. Haney, Respondent

Accepted by FINRA:

May 18, 2011
Date

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


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