

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009020617701**

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

RE: Guy Bernard Deemer, Respondent
CRD No. 2504584

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Guy Bernard Deemer ("Deemer" or "Respondent") submits 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 him alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A.** Respondent hereby accepts and consents, 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 first entered the securities industry in August 1994. From July 2007 to November 2009, Deemer was registered as a General Securities Representative in the Bethel Park, Pennsylvania branch office of Stifel, Nicolaus & Company, Incorporated ("Stifel" or the "Firm"), a FINRA regulated broker-dealer. On November 3, 2009, Deemer's employment with Stifel was terminated. The Firm filed a Form U5 on November 24, 2009 reporting the termination of Deemer's employment. Since December 1, 2009, Deemer has been employed with Oppenheimer & Co. Inc., which is also a FINRA regulated broker-dealer. FINRA retains jurisdiction over Deemer pursuant to Article V, Section 4(a) of FINRA's By-Laws.

Deemer has no prior disciplinary history in the securities industry.

OVERVIEW

Between July 2008 and October 2009 (the "Relevant Period"), on numerous occasions while employed as a registered representative with Stifel, Deemer bought and sold the same thinly traded securities as his customers. During the Relevant Period, 64 of his customers' orders were filled with shares that were sold from Deemer's accounts on the same day. At times, Deemer was on the opposite side of a transaction from his customers, and negligently failed to disclose to his customers that he was selling or purchasing the same securities in his own accounts. By negligently failing to disclose a material fact to his customers, Deemer violated NASD Rule 2110 and FINRA Rule 2010.¹

FACTS AND VIOLATIVE CONDUCT

NASD Rule 2110, as superseded by FINRA Rule 2010, requires a member in the conduct of his business, to observe high standards of commercial honor and just and equitable principles of trade. The ethical and legal obligations set forth in NASD Rule 2110 and FINRA Rule 2010 encompass a wide range of unethical business-related conduct.

During the Relevant Period, Deemer and several of his customers were interested in investing in small community bank stocks. To that end, Deemer recommended that his customers purchase or sell six thinly traded Bank Stocks ("Bank Stocks"). Deemer's customers were aware that he was invested in the same Bank Stocks. However, for 64 customer orders, Deemer was on the opposite side of a transaction, and he failed to disclose to his customers that he was selling or purchasing the same securities from his own accounts on the same day. In connection with Deemer's transactions, the Firm paid Deemer's customers restitution in the aggregate amount of \$64,287. This amount covered fees and commissions, as well as price adjustments in connection with those occasions when Deemer received a better price.

Some of the times that Deemer traded on the same day as his customers were a result of Deemer previously placing good-til-canceled orders ("GTC orders")² to sell or buy the Bank Stocks in his own accounts. He would place GTC orders in the Firm's trading system as much as six months in advance and when the opposing customer trades were placed in the Firm's system these GTC orders were matched and executed from his accounts. Deemer failed to inform his customers that his stocks were on the other side of the trade.

¹ NASD Rule 2110 was superseded by FINRA Rule 2010 on December 15, 2008.

² A GTC order is an order to buy or sell a security at a set price that is active until the investor decides to cancel it or the trade is executed. If an order does not have a good-til-canceled instruction then the order will expire at the end of the trading day the order was placed. Stifel typically cancelled good-til-canceled orders after 180 days, unless the trade was executed.

By negligently failing to disclose to his customers when he sold or bought the same Bank Stocks from his own accounts on the same day that he was recommending them to his customers, Deemer violated NASD Rule 2110 and FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanction:

- A suspension from association with any FINRA member firm in any and all capacities for 20 business-days; and
- A fine of \$10,000.

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

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, Respondent becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Respondent 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 sanction imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 him; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or

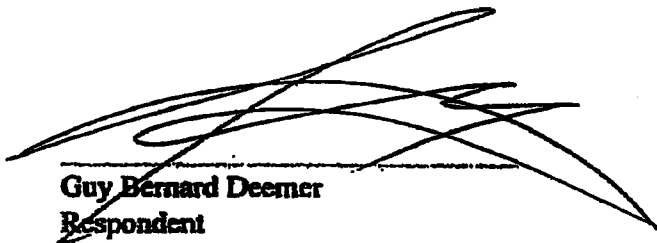
any other regulator against him;

2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. He 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 his (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 him to submit it.

8-21-13
Date

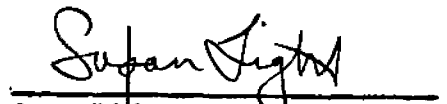

Guy Bernard Deemer
Respondent

Reviewed by:


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8/23/13
Date

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


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