

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090206191-01

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

RE: John P. Arena, Respondent
General Securities Representative
CRD No. 4920976

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, John P. Arena ("Arena"), 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

In February 2005, Arena first became registered as a General Securities Representative ("GSR") with FINRA through a FINRA-member firm. In April 2008, Arena became registered as a GSR with FINRA through Chase Investment Services Corp. (CRD No. 25574) ("CISC"). CISC terminated Arena's employment on or about November 16, 2009 on a Uniform Termination Notice for Securities Industry Registration ("Form U5") on December 4, 2009. Although Arena is not currently associated with any FINRA member, FINRA retains jurisdiction over him under Article V, Section 4 of its By-Laws.

RELEVANT DISCIPLINARY HISTORY

Arena has no prior disciplinary history with the Securities and Exchange Commission, any state securities regulator, or self-regulatory organization.

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OVERVIEW

Arena failed to timely update his Uniform Application for Securities Industry Registration or Transfer ("Form U4") to disclose felony charges against him, which were contained in an indictment issued on or about June 13, 2008, and to disclose his guilty plea on November 26, 2008 to two of those felony counts. Arena's conduct violated FINRA's By-Laws and NASD Conduct Rules.

FACTS AND VIOLATIVE CONDUCT

On March 1, 2008, Arena was arrested and issued a summons for misdemeanor Driving While Intoxicated ("DWI"). Arena became associated with CISC in April 2008 and, during the hiring process, he disclosed that arrest and summons to CISC.

On May 13, 2008, in connection with his becoming associated with CISC, CISC filed a Form U4 on behalf of Arena. Question 14A(1)(a) of the Form U4 asked whether Arena had ever been convicted of a felony. Question 14A(1)(b) of the Form U4 asked whether Arena had ever been charged with a felony. Arena answered "No" to both questions. The Form U4 also contained the following statement: "I agree to update this form by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported."

On or about June 13, 2008, the Grand Jury of the County Court of Suffolk County, State of New York, returned an eight-count indictment charging Arena with six felony counts and two misdemeanor counts in connection with his March 1, 2008, DWI arrest.

On October 7, 2008, CISC filed an amended Form U4 on behalf of Arena. Although the indictment, which charged Arena with six felony counts, had issued on or about June 13, 2008, the answer to Question 14A(1)(b), which inquired about felony charges, remained "No." The amended Form U4 filed on October 7, 2008 was the first amendment filed to Arena's initial Form U4, filed on May 13, 2008.

On November 26, 2008, Arena entered a guilty plea in that court to two of the six felony counts and one misdemeanor count contained in the indictment. As part of that guilty plea, Arena was placed on interim probation and the court directed at that time that if he successfully completed the terms of his interim probation, Arena would be permitted to withdraw his guilty plea to the two felony counts and plead instead to three misdemeanors. No amended Form U4 was timely filed on behalf of Arena after his guilty plea to two felony counts on November 26, 2008.

After Arena completed the terms of his interim probation, on September 1, 2009, the court vacated Arena's November 26, 2008, guilty plea, including his guilty plea to the two felonies, and entered his guilty plea to three misdemeanor DWI charges. Arena's DWI conviction was entered by the court at that time and he was sentenced.

In October and November 2009, Arena for the first time updated his Form U4 to disclose the felony charges and guilty pleas. Specifically, on October 19, 2009, CISC filed an amended Form U4 that answered "Yes" to Question 14A(1)(b). CISC filed another amended Form U4, on November 5, 2009, that answered "Yes" to Question 14A(1)(a).

Based on the foregoing, Arena violated Article V, Section 2 of the FINRA By-Laws and NASD Conduct Rule 2110.

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

A 30-day suspension from association in any capacity with any FINRA member and a fine of \$5,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 30-day 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 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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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

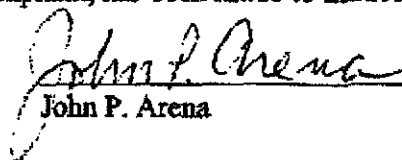
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought 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.

SEPTEMBER 31, 2011

Date: September 31, 2011



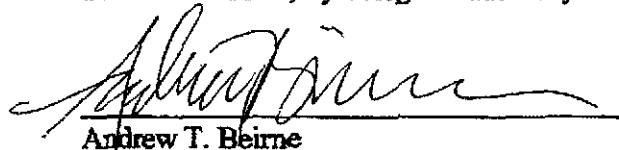
John P. Arena

Accepted by FINRA:

September 30, 2011

Date: September 30 2011

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



Andrew T. Beirne

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