

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090210296**

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

RE: Jeffrey Rosen, Respondent
General Securities Representative
Investment Company Products/Variable Contracts Limited Principal
CRD No. 2188720

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeffrey Rosen ("Rosen"), 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

Jeffrey Rosen ("Rosen") entered the securities industry in September 2001. He was registered with Lincoln Financial Distributors Inc. ("Lincoln") from August 7, 2006, to June 1, 2009, when he was terminated for conduct related to this matter. He was registered with Pacific Select Distributors, Inc. from January 11, 2010, until May 24, 2010, when he resigned. Rosen holds NASD series 7, 26, 63 and 66 licenses.

RELEVANT DISCIPLINARY HISTORY

Rosen has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. Background

Rosen became a Divisional Sales Manager for Lincoln on January 1, 2008. As a Divisional Sales Manager, Rosen supervised external wholesalers who marketed an insurance product called MoneyGuard to financial advisors at financial services firms located throughout the country. MoneyGuard was a universal life insurance policy with long-term care benefits. The Lincoln wholesalers did not sell the product directly to retail investors.

Starting in or around January 2008, certain states began requiring individuals to successfully complete a long-term care CE course before selling long-term care insurance products to retail customers. Other states already had a long-term care insurance CE requirement. In relevant part, Florida, Illinois, and Michigan implemented the long-term care insurance CE requirement in 2008. The Lincoln wholesalers did not have to complete a long-term care CE requirement to market MoneyGuard to other financial advisors.

Lincoln authorized its wholesalers to give financial advisors vouchers from a company called SCE, which the financial advisors could use to take insurance CE examinations through SCE without charge. Financial advisors could log on to the SCE website using the code on the voucher and take insurance CE courses and examinations, either online or by submitting to SCE a paper test. SCE had courses that satisfied the long-term care insurance CE requirement for Florida, Michigan, and Illinois. To get insurance CE credit for these courses, a test taker had to successfully complete an examination.

2. Creation and Distribution of Answer Keys to Long-Term Care CE Examinations by Rosen and Other Lincoln Employees

Rosen created an answer key for an SCE long-term care examination and instructed certain of his direct reports to create answer keys for SCE long-term care CE examinations. On or around January 1, 2008, Rosen created an answer key for the SCE long-term care CE examination for Florida ("Florida Answer Key I"). On three separate occasions in 2008, Rosen instructed three of his direct reports to create answer keys to the SCE long-term care examinations for Illinois ("Illinois Answer Key"), Michigan and Florida ("Florida Answer Key II"). These direct reports created the answer keys as requested by Rosen.

Rosen distributed answer keys to long-term care CE examinations to Lincoln employees. On January 2, 2008, Rosen emailed the Florida Answer Key I to four of his direct reports. On April 10, 2008, Rosen also emailed a Lincoln wholesaler the Florida Answer Key II.

On multiple occasions in 2008 and 2009, Rosen instructed his direct reports to obtain from and provide to other Lincoln employees answer keys to long-term care CE examinations and provide the answers to financial advisors at other firms and was aware that they had done so. For example, one of his direct reports (1) emailed the Florida Answer Key I to another Lincoln employee on January 2, 2008, who then distributed it to other Lincoln employees on at least 13 occasions, (2) twice emailed the Florida Answer Key II to four other Lincoln wholesalers on March 26, 2008, (3)

sent the Florida Answer Key II to three Lincoln wholesalers on May 1, 2008, and (4) sent the Florida Answer Key II to another Lincoln wholesaler on September 2, 2008. Rosen was copied on the March 26, 2008 and May 1, 2008 emails. In addition, in or around August 2008, Rosen instructed one of his direct reports to obtain a copy of the Illinois Answer Key from the Lincoln wholesaler who had created it, which he did. In January 2009, Rosen told this direct report that another one of his direct reports was providing answers to the long-term care CE examinations to financial advisors and instructed him to ask her for the answers for the Florida examination.

By improperly creating an answer key to a state insurance long-term care CE examination, distributing answer keys to Lincoln employees, and instructing Lincoln employees to create answer keys, obtain from and provide to other Lincoln employees answer keys, and provide the answers to financial advisors outside of Lincoln, Rosen violated NASD Rule 2110 and FINRA Rule 2010.

3. Failure to Supervise

Rosen failed to supervise his direct reports in that certain registered individuals who reported to him created answer keys to long-term care CE examinations, obtained from and provided to other Lincoln employees answer keys, and provided the answers to financial advisors. Rosen was aware that his direct reports had created answer keys and distributed them to Lincoln employees and financial advisors at other firms. Rosen's failure to supervise his direct reports violated NASD Rules 3010 and 2110 and FINRA Rule 2010.

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

A three-month suspension from association with any FINRA member firm in any capacity, a six-month suspension from association with any FINRA member firm in any principal and/or supervisory capacity and a \$10,000 deferred fine. The six month principal and supervisory suspension shall run concurrently with the three month all-capacity suspension.

The fine shall be due and payable either immediately upon reassociation with a member firm following the three-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.)

I understand that if I am barred or suspended from associating with any FINRA member in a principal capacity, 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 a principal capacity during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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.

7/26/10
Date

Jeffrey Rosen
Jeffrey Rosen, Respondent

Reviewed by:
J. Steven Parker
J. Steven Parker, Esq.
Counsel for Respondent
Page Perry LLC
1040 Crown Pointe Parkway
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Atlanta, Georgia 30338
(770) 673-0047

Accepted by FINRA:

7/30/10
Date

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

Linda S. Riefberg
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