

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

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

RE: Christopher James Neri, Respondent
General Securities Representative
Investment Company/Variable Contract Products Representative
CRD No. 4703664

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Christopher James Neri ("Neri"), 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

Neri entered the securities industry in August 2003, when he joined Lincoln Financial Advisors. He was registered with Lincoln Financial Distributors, Inc. ("Lincoln") from September 2005 to July 2007 and from November 2007 to January 2010.

Neri is not currently associated with a FINRA member, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws. Neri holds NASD series 6, 7, 63 and 66 licenses.

RELEVANT DISCIPLINARY HISTORY

Neri has no disciplinary history.

OVERVIEW

In 2008 and 2009, while a registered representative at Lincoln, Neri violated NASD Rule 2110 and FINRA Rule 2010 by improperly creating an answer key for a state insurance continuing education

("CE") examination, improperly distributing that answer key to other Lincoln employees, improperly assisting registered representatives outside of Lincoln take a CE examination, and taking a CE examination for registered representatives outside of Lincoln.

FACTS AND VIOLATIVE CONDUCT

1. Background

In 2008 and 2009, Neri was an external wholesaler at Lincoln, who marketed an insurance product called MoneyGuard to financial advisors at financial services firms in California. 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 financial advisors to successfully complete a long-term care CE course before selling long-term care insurance products to retail customers. Other states, like California, already had a long-term care CE requirement. 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 CE examinations through SCE without charge. Financial advisors could log on to the SCE website using the code on the voucher and take CE courses and examinations, either online or by submitting to SCE a paper examination. SCE had courses that satisfied the long-term care CE requirement for California. To get CE credit for this course, an examination taker had to successfully complete an examination.

2. Creating an Answer Key for a CE Examination

In late 2007 or early 2008, while calling on a registered representative at a FINRA member firm branch office, Neri created an answer key to the SCE California long-term care CE examination. During this branch office visit, Neri sat with the registered representative while he took the SCE long-term care CE examination and Neri provided the registered representative with his opinion as to the correct answers to certain of the examination questions. Neri recorded the answers selected by the registered representative on a piece of paper and retained the answer key for several months.

Neri violated NASD Rule 2110 by an answer key for the California long-term care CE examination

3. Distribution of the Answer Key to Lincoln Employees

In March 2008, Neri transferred the answers to the SCE California long-term care CE examination from the original paper answer key into an email and sent that email to other Lincoln wholesalers. On March 19, 2008, a Lincoln wholesaler emailed Neri to inquire whether Neri had answers for the California long-term care CE test. Neri transferred the contents of the paper answer key into an email and sent the email to two Lincoln wholesalers.

By distributing an answer key for the California long-term care CE examination, Neri violated NASD Rule 2110.

4. Improperly Assisting Registered Representatives
in Completing a CE Examination

On multiple occasions in 2008 and 2009, Neri provided assistance to registered representatives outside of Lincoln while they were taking the SCE California long-term care CE examination. Neri assisted registered representatives in completing the long-term care CE examination by referring to the answer key and providing them with some or all of the examination answers. In addition, either in person or over the phone, Neri provided the registered representatives with his opinion as to the correct answers to some or all of the examination questions without reference to the answer key while they were taking the long-term care CE examination. Neri provided registered representatives with some of the answers to the examination on approximately 15-20 occasions and with all of the answers to the examination on approximately 10-15 occasions.

By improperly assisting registered representatives in completing the California long-term care CE examination, Neri violated NASD Rule 2110 and FINRA Rule 2010.

5. Taking a CE Examination for Registered Representatives

On multiple occasions in 2008 and 2009, Neri took the California long-term care CE examination, in whole or part, for registered representatives outside of Lincoln. On these occasions, Neri met with registered representatives in their offices, sat at their computers and took the long-term care CE examination for them. Neri would either answer all the questions himself without assistance from the representative or the representative would provide some of the answers, which Neri would enter then into the computer. This happened on one to four occasions.

Neri violated NASD Rule 2110 and FINRA Rule 2010 by taking the California long-term care CE examination for registered representatives.

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

A 90-day suspension from association with any FINRA member firm in any capacity and a \$5,000 fine.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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

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.

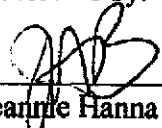
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

8/31/2011
Date



Christopher James Neri, Respondent

Reviewed by:

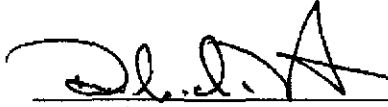


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Accepted by FINRA:

9/20/11
Date

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



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