

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100244869-01**

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

RE: Charles E.M. Rentschler, Respondent
General Securities Representative and
Research Analyst
CRD No. 4713615

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Charles E. Mitchell Rentschler ("Rentschler"), 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

Rentschler first became registered with FINRA as a General Securities Representative ("GSR") in October 2003 and as a Research Analyst ("RS") in January 2005. From January 8, 2010 through October 22, 2010, Rentschler was registered with FINRA through Morgan Joseph LLC (BD No. 10948), now known as "Morgan Joseph Triartisan LLC" ("Morgan Joseph"), as a GSR and RS.

Rentschler was last registered with FINRA through another member firm as a GSR and RS through July 19, 2011, on which date that member firm, on his behalf, filed a Uniform Termination Notice for Securities Industry Registration ("Form U5) indicating that his employment was terminated on July 15, 2011. Although Rentschler is not currently registered, associated or employed with any FINRA regulated firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

Rentschler violated research report disclosure requirements and restrictions on personal trading by research analysts, and failed to promptly notify his employer of outside brokerage accounts.

FACTS AND VIOLATIVE CONDUCT

1. Research Report Disclosure Requirements

During January through September 2010, Rentschler, through his member firm Morgan Joseph, issued 22 research reports covering four companies, which reports failed to disclose that his household had a financial interest in the securities of the subject companies and the nature of the financial interests. By reason of the foregoing, Rentschler violated NASD Rule 2711(h)(1)(A) and FINRA Rule 2010.

During August through September 2010, five of the research reports issued concerning one company failed to disclose that Rentschler received a monthly pension from a direct competitor of the company. That fact represented a material conflict of interest, which should have been disclosed. By reason of the foregoing, Rentschler violated NASD Rule 2711(h)(1)(C) and FINRA Rule 2010.

2. Restrictions on Personal Trading by Research Analysts

At all relevant times, Rentschler or a member of his household had a financial interest in, and Rentschler had discretion or control over certain accounts (the "research analyst accounts"). From May through October 2010, on four occasions, the research analyst accounts traded contrary to NASD Rule 2711(g)(2) restrictions against personal trading in companies that Rentschler, as the Research Analyst, followed during a period beginning 30 calendar days before and ending five calendar days after the publication of research reports concerning the companies. The trading occurred in connection with seven research reports relating to two companies. By reason of the foregoing, Rentschler violated NASD Rule 2711(g)(2) and FINRA Rule 2010.

Additionally, during May through June 2010, on six occasions, one of the research analyst accounts traded inconsistently with Rentschler's recommendations, as reflected in the most recent research reports that Morgan

Joseph had published. Specifically, that research analyst account, through an investment adviser who shared discretionary authority over the account, sold three different securities for which Rentschler had last issued "buy" ratings. By reason of the foregoing, Rentschler violated NASD Rule 2711(g)(3) and FINRA Rule 2010.

3. Disclosure of Outside Brokerage Accounts

Rentschler also failed to promptly notify Morgan Joseph in writing of various outside brokerage accounts that he owned or over which he had discretionary authority. Though he became associated with Morgan Joseph on January 8, 2010, he did not disclose the accounts in question until May 27, 2010. By reason of the foregoing, Rentschler violated NASD Rule 3050 and FINRA Rule 2010.

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

- A nine-month suspension from association with any FINRA member firm in any capacity; and
- A fine of \$20,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the nine-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 sanctions imposed in this matter.

I understand that if I am 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 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 prejudice 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: (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. 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.

10/13/13
Date (mm/dd/yyyy)

Charles E.M. Rentschler
Charles E.M. Rentschler, Respondent

Reviewed by:



Michael MacPhail, Esq.
Counsel for Respondent
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Accepted by FINRA:

July 5, 2013

Date

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



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