

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110253172 01**

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

RE: Fifth Third Securities, Inc., Respondent
CRD No. 628

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Fifth Third Securities, Inc. ("Fifth Third") 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 Fifth Third alleging violations based on the same factual findings described herein.

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ACCEPTANCE AND CONSENT

- A. Fifth Third 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

Fifth Third has been a FINRA member since September 11, 1939. The firm's main office is located in Cincinnati, Ohio. Fifth Third is a registered broker-dealer with the United States Securities and Exchange Commission and FINRA, which registrations currently remain in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

OVERVIEW

In connection with a bond offering for which it acted as underwriter, Fifth Third failed to disclose in the offering statement the existence of a potential conflict of interest, in contravention of the firm's procedures requiring disclosure of material facts to investors. Through this conduct, the firm violated MSRB Rules G-17 and G-27(c).

In addition, Fifth Third failed to establish and enforce written supervisory procedures regarding the pre-approval of advertisements by one of its registered representatives, in violation of MSRB Rule G-27(c).

Finally, the firm failed to timely notify the MSRB of a political contribution made by a registered representative to his own campaign, in violation of MSRB Rule G-37.

FACTS AND VIOLATIVE CONDUCT

Fifth Third's written supervisory procedures require the disclosure of material facts, including potential conflicts of interest, to investors at or prior to the time of sale, which is typically accomplished by the delivery of an offering statement.

Notwithstanding these procedures, the firm failed to disclose the existence of a potential conflict of interest in the offering statement for an issue of Build America Bonds for Public School A. Specifically, CK, a Fifth Third Vice President-Public Finance, served as a director on the Board of Public School A at the same time the firm was underwriting the issue of the bonds. CK notified the firm of his position on the Board of Public School A on an outside business activity disclosure form dated October 19, 2007. This information, however, was not included in the offering statement for the Build America Bonds for Public School A, dated December 9, 2009. Therefore, Fifth Third's failure to enforce its written supervisory procedures violated MSRB Rules G-27(c) and G-17.

In addition, on September 26, 2011, CK published internet advertisements without prior approval, which Fifth Third failed to identify. CK had previously published advertisements without prior approval from the firm. Despite these earlier incidents, Fifth Third failed to establish and enforce procedures to ensure CK's compliance with the applicable firm policy in violation of MSRB Rule G-27(c).

Finally, the firm failed to timely notify the MSRB of a political contribution made by CK to his own campaign to become a member of the Board of Public School A. In the third quarter of 2009, CK contributed \$555.55 to his own campaign. He notified the firm of the contribution on October 7, 2009. Fifth Third notified the MSRB of the contribution on August 2, 2010, in a Form G-37 filing submitted 269 days late. As such, Fifth Third violated MSRB Rule G-37.

B. Fifth Third also consents to the imposition of the following sanctions:

1. a censure, and

2. a fine of \$15,000 (all of which pertains to the violations of MSRB Rules G-17, G-27(c), and G-37).

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

Fifth Third specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against Fifth Third;
- 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, Fifth Third 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.

Fifth Third 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

Fifth Third 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 Fifth Third; and
- C. If accepted:
 - 1. this AWC will become part of Fifth Third's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Fifth Third;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Fifth Third'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. Fifth Third 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. Fifth Third 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 Fifth Third's: (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. Fifth Third may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Fifth Third understands that it 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.

The undersigned, on behalf of Fifth Third, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full

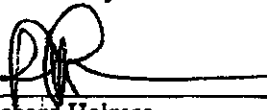
opportunity to ask questions about it; that Fifth Third has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Fifth Third to submit it.

Fifth Third Securities, Inc.

April, 16, 2013
Date

By: Martin H. Vaynskyer

Reviewed by:


Richard Holmes
Counsel for Respondent
Fifth Third Securities, Inc.
34 Fountain Square Plaza
MD 10AT42
Cincinnati, Ohio 45202
Tel: 513-534-7421

Accepted by FINRA:

MAY 1, 2013
Date

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



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